

# U.S. Persuades Israel to Delay Pullout From Chuf Mountains

By John M. Goshko  
Washington Post Service

WASHINGTON — The United States has persuaded Israel to delay for a few days its troop withdrawal from the Chuf mountains of Lebanon, but administration officials said that no decisions had been made about moving units of the multinational force into that conflict zone after the Israeli leave.

The officials said Thursday that Israel, which had planned to begin redeployment by the weekend, agreed to a brief delay while arrangements were made for the Lebanese Army to move into the area, where Christian and Druze Moslem militias are engaged in renewed fighting.

Israeli Defense Minister Moshe Arens said in a television interview Friday in the United States that Israel had agreed to a U.S. request to delay its redeployment of forces in Lebanon. The Associated Press reported, "We have been asked by the American government, through Ambassador McFarlane, to delay our withdrawal, and with some trepidation we have agreed to do that," he said.

U.S. officials and other diplomatic sources stressed that President Ronald Reagan's special Middle East envoy, Robert C. McFarlane, was not working on a plan to provide the Lebanese forces with backing from the multinational peacekeeping force of U.S., French, Italian and British troops. There has been speculation that the force, whose activities are confined to Beirut and its environs, would be redeployed at the request of President Amin Gemayel as a

"confidence-building" backup for Lebanese forces sent into the Chuf. That speculation was renewed Thursday when Mr. McFarlane arrived in Rome to consult with Prime Minister Bettino Craxi and Foreign Minister Ciriaco De Mita.

But U.S. officials, conceding that consideration of an expanded role for the force might become necessary, emphasized that the United States and its allies first want to see whether the Christians and Druze can agree on allowing Mr. Gemayel's forces to control the Chuf. The officials said Mr. McFarlane was not carrying a specific U.S. plan but was exploring allied views about possible roles for the multinational force.

The White House spokesman, Larry M. Speakes, at a briefing in Los Angeles, said of the multinational force: "It is still premature to define what an expanded role of the MNF might be when the Lebanese armed forces are deployed in the area."

"There have been discussions with various people about contingency," he said, "and it certainly is a logical topic for us to be reviewing. However, in the absence of some detail concerning the political situation which will prevail in the area, it is premature to make recommendations or even to make firm recommendations."

Earlier plans drawn up by force members to handle a possible expanded role call for the French to provide the principal multinational troops in the Chuf, with Italians and some U.S. Marines helping the Lebanese patrol the highway between Beirut and Damascus. Under that plan, most of the Ameri-

cans would remain near the Beirut International Airport.

The United States has about 1,200 troops in the Beirut area and 800 on nearby ships. Until now, the administration has been wary of agreeing to Mr. Gemayel's request to expand the multinational force's size and role because it fears that Congress might balk.

France has about 2,000 troops in the force, and the Italian contingent numbers 1,400. Britain has 100 men.

U.S. sources said Israel, which plans to redeploy its forces in southern Lebanon along the Awali River, had intended to begin its pullout from the Chuf by the end of the weekend and to complete it by Sept. 1, New Year's Eve. However, the sources continued, the Israelis agreed to a delay of "a few days" after Mr. McFarlane made such a request of Mr. Arens late Tuesday.

Mr. McFarlane told Mr. Arens that there were "positive signs" that an agreement might be worked out between the Christians and Druze on putting Lebanese forces in the Chuf if more time were available for negotiation.

## Jumbal Attends in Paris

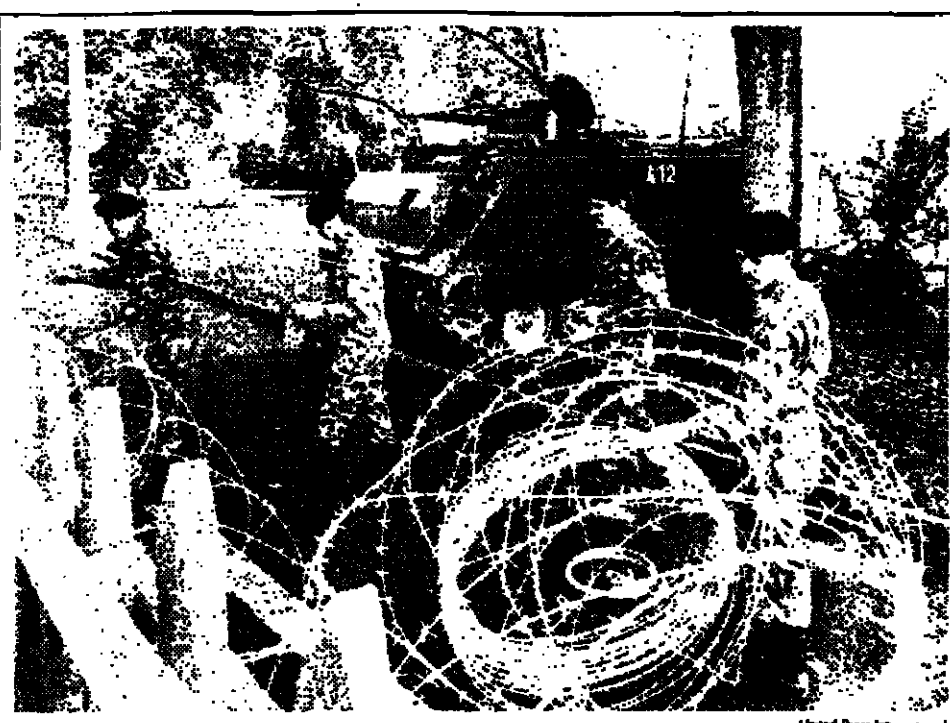
The Lebanese Druze leader, Walid Jumbal, arrived Friday in Paris for a hurriedly arranged meeting with Mr. McFarlane. The Associated Press reported.

Meanwhile, the state radio in Beirut reported that Mr. Gemayel's national security adviser, Wadi Haddad, also left for Paris on Friday after conferring with Mr. McFarlane's assistant, Richard Fairbanks.

Shortly after Mr. Jumbal's departure from Damascus, his two main allies in the Syrian-backed National Salvation Front issued a statement proposing a national reconciliation conference with Mr. Gemayel.

Leaders of the National Salvation Front are willing to meet with the president of the republic, it said, "to discuss a national reconciliation either at the summer seat of Lebanon's Maronite patriarch at Diman in Beshiri or at the Arab League headquarters in Tunis."

The statement was issued in the northern Lebanese city of Tripoli by Lebanon's former president, Seif Marwan, a Maronite, and former Prime Minister Rashid Karami, a Sunni Moslem.



Swiss soldiers install one of the checkpoints around the conference site in Geneva.

## Swiss Deploy Tanks for UN Parley

Compiled by Our Staff From Dispatches

GENEVA — Swiss Army tanks were deployed in Geneva Friday as part of stringent security preparations for the opening Monday of the United Nations Conference on Palestine.

The tanks and armored personnel carriers are part of a 2,000-man Swiss regiment assigned to reinforce 600 police officers and a UN security force, the size of which has not been disclosed. Barbed wire and crowd-control gates lined the Avenue de la Paix and other streets adjacent to the UN buildings.

To protect the conference, Israel will withhold a portion of its financial contribution to the UN for the first time, Yehuda Z. Blum, Israel's chief UN

delegate, said Thursday at UN headquarters in New York.

Israel contributes 0.23 percent of the UN budget, or about \$1.5 million. The exact percentage that will be withheld has not been announced, but Israeli sources said the amount would be about \$70,000.

The United States has already announced that it is withholding about \$1.5 million, roughly its share of the cost of the 10-day conference.

A UN official, citing the concern for the safety of delegates from as many as 95 of the body's 157 member countries, declined to give details on attendance. But a number of West European countries are viewed as likely to boycott the conference with Israel and the United States.

## France Is Reportedly Sending Chad Large Quantities of Heavy Weapons

Reuters

PARIS — France is sending large quantities of artillery, armored vehicles and helicopters to Chad to bolster its deterrent force, informed military sources said Friday.

Eight Jaguar ground-attack planes and four Mirage fighters are also on alert in France to fly to the neighboring Central African Republic in case the situation in Chad deteriorates, they added.

France has already sent up to 2,500 paratroopers and 10 combat planes to its former colony, where Libyan-backed rebels are threatening President Hissène Habré's government.

The Defense Ministry said it would not confirm or deny the arms shipments. Political sources said the strengthening of the French forces would emphasize President François Mitterrand's warning to Libya on Thursday that France could take the offensive in Chad if its troops were attacked.

Mr. Habré told Charles Hernu, the French defense minister, in Njamena on Friday that the situation in Chad was grave. His government said earlier that Libyan tanks had fanned out south from the rebel-held town of N'djamena toward the defense lines established by the French.

Mr. Hernu, who later flew to the eastern city of Abéché to inspect French units, had been sent by Mr. Mitterrand to persuade Mr. Habré not to launch a counterattack to try to recapture the north, diplomats said.

The military sources in Paris said an airlift of Puma and Gazelle helicopters, 20mm cannon, anti-tank missiles, jeeps and trucks had begun. A DC-8 and a Boeing 747 cargo plane were ferrying the equipment daily to Njamena and

Bangui in the Central African Republic.

AMX-10 personnel carriers armed with heavy cannon and 105mm artillery pieces would be sent by ship from the south of France to Cameroon on route for Chad next week, they added.

France is also installing mobile radar units along the defense line protecting Njamena following the withdrawal this week of U.S. AWACS radar planes, which had been keeping Libyan movements under surveillance.

Maurice Faure, head of the National Assembly's Foreign Relations Committee, was meeting Mr. Mitterrand to report on the outcome of talks in Ethiopia this week with President Mengistu Haile Mariam. Lieutenant Colonel Mengistu is head of the Organization of African Unity, which Mr. Mitterrand hopes to associate with his peace efforts, as well as the United Nations.

Assurances by Mr. Mitterrand, in an interview with the Paris newspaper Le Monde on Thursday, that negotiations were his first priority were treated coolly by French opposition leaders. They blamed the president for aggravating the crisis by not sending in the deterrent force until after Faya-Largeau had fallen to the rebels.

## Chadian Reaction

A Chadian government spokesman Friday expressed measured praise for aspects of Mr. Mitterrand's policy statement Thursday on the conflict. The New York Times reported from Njamena.

The spokesman emphasized that the French president had not ruled out the possibility that French troops might play "a more combative role."

"The French policy has been

adapted to the present situation and its response could go beyond the defensive," Information Minister Soumaila Moumouni said. "It is only a matter of timing. The policy has developed and might develop further."

In reading the Mitterrand statement in Le Monde, Mr. Soumaila said, "You can see that an eventual response in the face of Libyan aggression can certainly go beyond a defensive role."

With the Chadian minister of defense, Rouquay Yona, sitting silently at his side, Mr. Soumaila appeared to weigh his words carefully.

"I do not think," he said, "that President Mitterrand has been very categorical about what will happen if the moment arrives when France judges that it needs to offer assistance and support beyond the framework of a deterrent role and into a more combative role for the French troops here."

The information minister declined to comment on Mr. Mitterrand's suggestion that a solution to the Chadian problem might be "to create a federal system."

"We do not think this is an essential aspect of the Mitterrand interview," Mr. Soumaila said in answer to repeated questions on the proposal. A senior Western diplomat noted that Mr. Habré strongly favors a "unitary state" as opposed to a federal system, which would presumably obligate him to share power with his longtime commander-in-chief, the rebel leader and former president, Goukouni Oueddei.

"The concept of a federal system goes counter to Habré's thinking," said the diplomat, who insisted on not being quoted by name. "The term itself carries a lot of emotional baggage."

## Andropov Offers To Scrap Some SS-20s if West Alters Position

By Dusko Doder  
Washington Post Service

MOSCOW — President Yuri V. Andropov of the Soviet Union offered Friday to scrap a "considerable number" of his country's SS-20 missiles as part of an eventual agreement on limiting medium-range nuclear weapons in Europe. Speaking to a correspondent for the Communist Party newspaper Pravda, Mr. Andropov renewed his demand that the United States abandon its planned deployment of 572 Pershing-2 and cruise missiles in five West European nations. He also renewed Moscow's offer to cut its medium-range missile force to the same level as that of Britain and France combined.

But, Mr. Andropov continued, Chancellor Kohl expressed pessimism on the Geneva missile reduction talks. Page 4.

"We are ready to make another major step."

"Should a mutually acceptable agreement be achieved, including renunciation by the United States of the deployment of new missiles, the Soviet Union, in reducing its medium-range missiles in the European part of the country to the level equal to the numbers of missiles of Britain and France, would liquidate all the missiles to be reduced."

"In this event a considerable number of the most modern missiles, known in the West as SS-20s, would be liquidated as well."

The offer was interpreted by senior Western diplomats as a significant concession by the Kremlin likely to have a positive impact on Western Europe as well as on China and Japan.

It also appeared to meet President Ronald Reagan's demand that a mere removal of Soviet SS-20 missiles behind the Ural mountains would not meet his standards for an acceptable agreement on curbing medium-range arms in Europe. The United States has argued that the mobile missiles could easily be moved back within range of Western Europe.

According to Western estimates, Moscow has 351 triple-warhead SS-20 missiles deployed as part of its medium-range forces. About 100 are situated in the Asian part of the country, presumably targeted on Japan and China.

Mr. Andropov's proposal to dismantle "all the missiles to be reduced" was the first such specific Kremlin statement since the Soviet Union and the United States began talks at Geneva in 1981.

The Russians had indicated that some medium-range nuclear means could be dismantled while others would be moved into Siberia out of range of Western Europe.

Japan and China have strongly objected to the removal of the weapons to the Asian part of the Soviet Union on the ground that they would constitute an additional threat to their security.

Mr. Andropov said his offer was a gesture of goodwill all around. He said it required "total groundless" assertions that Moscow intended to retain "the SS-20 missiles which are to be reduced."

He said Japan and China should have no concerns that the missiles would be relocated closer to their territories.

Mr. Andropov said his offer to

Washington "makes it clear to any unprejudiced person that the Soviet Union has done and is doing everything in its power to find solutions" at Geneva and that it wanted to achieve an agreement with the United States in order to "prevent a new and extremely dangerous round in the nuclear arms race in Europe."

## Some Progress Is Seen

U.S. officials said that the new Soviet statement showed some progress but left key issues unresolved. Based on early press reports, they said, Mr. Andropov appeared to have met one Western condition by promising to scrap or "liquidate" the SS-20 missiles that would be removed from Europe if an agreement were reached with the United States.

U.S. officials said Mr. Andropov gave no sign of retreating from his demand that the United States cancel plans to deploy new missiles in Europe while leaving some Soviet SS-20s. Washington and its allies have repeatedly called this unacceptable.

"Basically the demands on the West are unchanged — cancel the deployment," an official said.

President Reagan has offered to cancel them if Moscow scraps all its SS-20s in Asia and Europe. He has also offered, as an interim arrangement, to deploy fewer than the planned 572 missiles if Moscow reduces its force to an equal number.

## Students, Police Clash In Manila

United Press International

MANILA — About 3,000 students clashed with club-wielding policemen in central Manila on Friday in the first street rioting since the assassination Sunday of the opposition leader, Benigno S. Aquino Jr.

Witnesses said shouts of "Long live Ninoy," Mr. Aquino's nickname, rang out as students tried to

force their way into the Far Eastern University campus about a mile from the presidential palace.

Rioters hurled stones at windows and exploded several homemade bombs before the riot police charged, swinging batons, and university security men turned water cannons on the crowd.

A security guard, Eleodoro C. Ocampo, said unidentified gunmen in a speeding car fired three shots at him in front of the university two hours after the demonstrators were dispersed. The shots missed him, he said.

The riots came amid growing demands by Mr. Aquino's family, opposition leaders and university students for an independent inquiry into Mr. Aquino's assassination and charges that a presidential investigative commission was controlled by President Ferdinand E. Marcos.

Mr. Aquino, 50, was shot to death on the tarmac at the airport as he left a China Air Lines jetliner flanked by three Filipino soldiers. His alleged assassin, a man dressed as an airport maintenance worker, was killed on the spot by soldiers and has not been identified.

The authorities announced Friday that Brigadier General Luthur Custodio, chief of the Aviation Security Command assigned to protect Mr. Aquino, has been confined to quarters pending further investigation into the slaying.

The chief of the police investigation said the weapon used to murder Mr. Aquino, a Smith & Wesson .357 magnum, was traced to a gun shop in Bangkok by Interpol, the international police agency.

There was no immediate indication what happened to the gun after it was shipped to the shop.

The investigative commission, headed by Chief Justice Enrique Fernando of the Supreme Court announced that its public hearings, scheduled to begin Monday, would be postponed until after Mr. Aquino's funeral in Manila on Tuesday.

Antonio Alano, a spokesman for the opposition United Nationalist Democratic Organization said his party would not take part in the investigations "because these people, these justices, are all beholden to you-know-who."

Justice Fernando, acknowledging that the panel's impartiality is in doubt, said earlier that Mr. Aquino's family and other Marcos opponents were invited to participate.

## Jackson Is a Focal Point Of Black Power Revival

By Joseph Fitchett  
International Herald Tribune

WASHINGTON — The Rev. Jesse Jackson is 41, controversial, black — and probably running for president. His politics, like the slogans planned this weekend to commemorate the Rev. Martin Luther King Jr.'s famous speech about a dream of national unity transcending race, tell a lot about the changes that have occurred in the black community in the United States in recent years.

Inconceivably, black Americans have gained the freedom that was part of King's dream 20 years ago. Few vestiges of racial discrimination remain in U.S. law, and the country has grown more racially tolerant.

But black Americans have fared much worse in their quest for equality, mainly because so many of them are mired in poverty. "That was the dream deferred" of Dr. King, and it still is today," said Mary Frances Barry, a member of

the U.S. Civil Rights Commission.

The Reagan administration's domestic budget cuts have slowed the economic gains of blacks and other minority groups, who fear that they are becoming permanently caught in an economic underclass.

In addition, the perception that the administration is indifferent to the abuse of civil rights and the enforcement of measures that protect blacks' rights to register and vote has spurred a new generation of black leaders to emphasize that blacks should show more power at the ballot box.

This trend has started with drives throughout the United States to register more blacks, and it has culminated in a now-thinkable Jackson candidacy.

The overall effect is a revival of black activism unparalleled since the 1960s, with the new black power possibly capable of deciding next year's presidential election in several key states, including most of the South and New York.

The rhetoric and the voter-regis-



The Rev. Jesse Jackson

tration drives have crystallized around Mr. Jackson, illegitimate Southern child, early protégé of King and today the rallying point of the black revival. His weaknesses are glaring: Most whites fear him as a firebrand, and even many blacks see him as an electoral liability.

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## Computer Break-Ins by Milwaukee Youths Raise Legal, Security Questions

By Joseph B. Treaster  
New York Times Service

MILWAUKEE — Late one night in June, a young man working at an inexpensive home computer tried to make contact with a large commercial computer.

Using a trial-and-error technique that figures in several of the recent incidents that have drawn attention to computer vulnerability, he tried various codes for gaining entry to New York City computers tied into a nationwide network.

In a short time he happened onto the combination for the computer that is used to plan and monitor treatment for patients at the Memorial Sloan-Kettering Cancer Center in Manhattan.

The young man entered a password that is often used to permit entry by installers and repairmen, federal authorities say, and was admitted within seconds.

Using the same simple procedure, he and a half-dozen other persons from Milwaukee, all in their teens and early 20s, have gained access this summer to perhaps as many as 60 computers, including ones at the nuclear weapons laboratory in Los Alamos, New Mexico, a bank in Los Angeles and a cement company in Canada.

The intrusions have called attention to the ease with which sophisticated computers can be entered. They have also raised questions about the effectiveness of security measures and about the legal issues involved in entering computers without authorization.

The young men say they did not "target" any of the computers, but like prairie dogs popping into their holes, entered computers at random, wherever they found an opening. They would poke through files, they say, and try to figure out where they were. Often, they went away puzzled.

They say they did not realize they had been inside computers at Sloan-Kettering and at Los Alamos until they were informed by the authorities or by news reports.

"I was really shocked when I heard it was a place that treated cancer patients," said Neal Patrick, 17, a member of the group, which sometimes calls itself the "4-1-4s" after the Milwaukee telephone area code.

Officials at Sloan-Kettering say the intruders caused administrative chaos and the deletion of records that will make it impossible to collect about \$1,500 for computer services provided to other hospitals. But they say no patients were harmed.

The government has said that no secrets were stored in the computer at Los Alamos and that no damage was done.

The young men live with their parents in modest, middle-class homes. Most have been working with computers for several years, and many hope to become professional computer specialists. They say they were eager to locate and explore new and bigger systems.

"It was basic curiosity," Mr. Patrick said. "We wanted to know what was going on in the world of computers. We were interested in seeing what a certain computer could actually do. It was the challenge of getting in and finding out what's there, like getting into a cave or climbing a mountain."

They maintain they saw nothing wrong with rummaging through other people's computers as long as they did no damage.

Legally, they may be right: There is no federal law prohibiting unauthorized entry into computers. But investigators are looking into the possibility that they used telephone lines illegally and used computer services without payment.

And while Wisconsin has a law, promulgated in



Neal Patrick, right, of the Milwaukee "4-1-4s" group, and his attorney, Paul A. Fiascoski.

May, that provides for up to nine months in jail for unauthorized entry into a computer, the law has no effect on surreptitious entries outside the state.

"We didn't know we were trespassing," said one of the young men, who, like most of the group members, agreed to be interviewed only with a promise of anonymity. Paul A. Fiascoski, a lawyer who has been

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## INSIDE

Benefit cuts in U.S. affect families under \$10,000 income, the budget office says. Page 4.

Thousands of Gypsies answer the call to Jesus in a field in France, proving that Protestant fundamentalism is spreading rapidly among European Gypsies. Page 4.

Nicaragua insurgents have reportedly stepped up their fighting against Sandinist government troops. Page 2.

The secretary-general of the UN has arrived in Angola for talks with the guerrilla leader Sam Nujoma on Namibian independence. Page 4.

Reagan administration insists there will be no recurrence of a grain embargo against the Soviet Union. Page 3.

On loan from Soviet museums, largely unseen works by Impressionist and Cubist masters are on view in Lugano through Oct. 15. Page 5.

U.S. productivity jumped at an annual rate of 6.1 percent in the second quarter. Page 7.

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## Manila Reportedly Harassed Foes in U.S.

State Department Ex-Aides Say Messages to Filipino Agents Were Intercepted

By Bernard Gwertzman  
New York Times Service

WASHINGTON — The United States intercepted messages from Manila to Filipino agents in the United States five years ago ordering them to harass opponents of President Ferdinand E. Marcos in the United States, according to two former State Department officials.

The former officials, who asked not to be identified, said that the Federal Bureau of Investigation was asked to investigate the intercepts.

A Defense Intelligence Agency report made public Wednesday indicated that the United States believed the practice of monitoring and harassing Filipino dissidents in the United States has continued.

The agency report, dated July 1982, said a new defense attaché team at the Philippine Embassy "will undoubtedly report on, and possibly operate against, anti-Mar-

cos Philippine activists in the United States."

As a result of the report being made public by Representative Don Edwards, Democrat of California, the State Department issued a statement Thursday saying, "The United States government is committed to taking all necessary measures to stop harassment and intimidation of persons in the United States by agents of foreign governments."

One official said that the Philippines, South Korea, Taiwan, Libya and Iran were among countries that had been warned about operations against foreign nationals in the United States.

The chief Filipino dissident who lived in the United States in recent years was Benigno S. Aquino Jr., who was slain Sunday, minutes after he returned to Manila to lead an opposition political movement against Mr. Marcos.

The two former U.S. officials,

who served in the Carter administration, said that while they were looking into complaints from Filipinos in the United States about harassment, they were shown messages intercepted by U.S. intelligence that ordered members of the Philippine Embassy to cause trouble for the Marcos opponents.

Mr. Aquino arrived in the United States in 1980.

Neither of the former officials knew what follow-up action was taken by the FBI. The bureau had no comment Thursday.

The 1982 study by the Defense Intelligence Agency reported on the sending of a new defense attaché, Brigadier General Angel G. Kanapi, to the Philippine Embassy in Washington, along with four subordinates.

The report said it was the first time an officer of General Kanapi's rank had been sent to Washington in many years.

In a telephone interview Thurs-

day, General Kanapi denied that his group was operating against opponents of the regime.

He said he intended to raise the matter with the defense agency.

On Thursday, Senator Edward M. Kennedy, Democrat of Massachusetts, sent a letter to President Ronald Reagan urging him not to go ahead with a planned trip to the Philippines in November.

Mr. Kennedy said he would also urge Congress when it reconvenes next month to delay all action on aid for the Philippines "until the Marcos government has conducted a full, satisfactory and impartial investigation of the Aquino assassination."

The administration has said publicly that the trip by Mr. Reagan is still scheduled. Privately, however, officials said it could be canceled if there are indications that Mr. Marcos was responsible for Mr. Aquino's death.



Liberia's President Doe plays soccer in Israel.

## Doe Ends Visit to Israel To Renew Liberia's Ties

TEL AVIV — President Samuel K. Doe of Liberia left Friday after a four-day visit to Israel, the first by the leader of a black African state in 12 years.

Mr. Doe flew home in an Israeli military Boeing 707 that was accompanied to the Israeli border by two Israeli Kfir fighter planes.

President Chaim Herzog and Foreign Minister Yitzhak Shamir saw him off at the airport. Mr. Doe signed a cooperation agreement with Prime Minister Menachem Begin Thursday for Israeli advisers to help Liberia in agriculture, shipping and health.

Liberia's foreign minister, Ernest Eastman, announced his government would send an ambassador to Jerusalem within a month.

Liberia said two weeks ago it would renew diplomatic relations with Israel after a 10-year break. Israel renewed diplomatic relations a year ago with Zaire, one of the 30 black African countries that severed ties with it in the early 1970s.

## Jackson Is a Focal Point Of Black Power Revival

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ity and a self-promoter who is jeopardizing hard-won black gains in respectability and influence inside the big national political machines, especially the Democratic Party.

But people in the black grass roots feel differently. "Run, Jesse, run," they rumble when he urges his audiences to register, to vote, to run for office and to aspire to the presidency. Despite a wave of local political victories, blacks still hold only 1 percent of elected positions in the United States although they represent 12 percent of the population.

What makes blacks run are essentially economic issues. Social and economic gains won by black Americans in the 1960s have been effectively halted in recent years by inflation and a sluggish economy. The Census Bureau reports that the income gap between blacks and whites is as wide today as it was in 1960.

Black unemployment is now 18 percent, nearly double the national figure.

Worse, in many blacks' analysis, their problems are becoming permanent. The U.S. census showed that the number of black households headed by a woman, with no man, has risen from 28 percent in 1970 to 40.6 percent last year. Single-parent households, led by women, are seen by many sociologists as liable to leave the children less well equipped for school and work and more often destined for social problems.

To remedy this, Mr. Jackson talks of forming what he calls a "rainbow coalition," including blacks, Hispanics, feminists and members of anti-war movements. The formula of binding minority groups is a new departure, reflecting the decline of the old liberal coalition of Southern blacks and Northern whites that wrenched the civil rights gains of the 1960s.

The old alliance largely founded on economic cooperation. Many scholars and black leaders point out that a major reason for declining support among whites is that black economic aspirations, unlike civil liberties, are bound to threaten the well-being of their erstwhile white supporters.

Mr. Jackson's well-publicized efforts to negotiate jobs for blacks with big corporations fits this pattern. But his frequent lack of follow-through also underscores his reputation for being more flamboyant than effective. This issue has acquired new importance as he appears closer to a formal bid for the Democratic nomination for president.

The fear, among many Democratic liberals and some black establishment politicians, is that a Jackson candidacy could draw away votes in the crucial early primaries from liberal contenders such as former Vice President Walter Mondale.

"Jackson can hand the nomination to Glenn, who then does not owe blacks a thing," a black politician said, referring to Senator John Glenn of Ohio.

In the meantime, Mr. Jackson is trying to use his popularity to extract political concessions from the Democratic leadership, but it seems increasingly likely that he will run for the nomination, if only as a trial run for a candidacy in 1988.

The crucial question then becomes whether, in the likely event that he fails to get the nomination, Mr. Jackson will have the political ability to rally convincingly behind the Democratic nominee and deliver the black votes that he has undeniably helped galvanize, and which now are a national political factor. In any event, he has said he will not run as an independent in 1984.

## Computer Break-Ins Raise Legal, Security Issues

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don't ever want to get into any of these computers again. The potential for damage totally outweighs any curiosity I or any members of the group may have had."

As the first step in invading the sophisticated computers, members of the group dialed a local telephone number to connect their computer to a leased telephone line operated by the GTE TeleNet Communications Corp. of Vienna, Virginia. The corporation provides access to 1,200 computers across the country for about 150,000 authorized users.

When the young men located a computer, they tried to enter it with passwords familiar to them.

"When a manufacturer ships out their computers, many have the same password," said one of the young men. "If you know something about computers, it's not that hard to imagine what the password could be."

Sometimes the young men could not come up with the correct pass-

word. "If it was particularly difficult," said Mr. Patrick, "we'd just skip it and go on."

Computer specialists say owners of computers are advised to change the factory-installed passwords after installation. Some, however, do not, to give easy access to maintenance workers or for other reasons.

Dr. Radhe Mohan, the director

of the Medical Physics Computer Service at Sloan-Kettering, said the hospital computer had one of the common passwords when the young men invaded but that it was supposed to permit only elementary functions. But the invaders managed to roam through the computer and reprogram some activities, mainly to facilitate their re-entry, he said.

## Train in U.S., in 4 Accidents, Kills 2

The Associated Press

KENLY, North Carolina — The Silver Meteor, a New York-to-Miami train that was involved in three accidents on its northbound run, struck a car early Friday on its return trip to Miami, killing the driver, the police said.

The train was involved in three accidents Wednesday and Thursday, killing a woman and injuring 21 other persons. In the fourth accident, the train struck a car at a crossing in Kenly, the police said.

Early Thursday, the train derailed in Rowland, N.C., in its third accident within six hours, officials said. Twenty-one passengers were injured and two engines and three passenger cars derailed when the train hit a flatbed tractor-trailer stuck on the tracks.

The train struck and killed a woman on the tracks north of Savannah, Georgia, Wednesday, an Amtrak spokesman said. In Ridgefield, South Carolina, it hit an unoccupied truck, resulting in a 25-minute delay.

## WORLD BRIEFS

### Soviet Antisatellite Test Is Reported

FRANKFURT (AP) — A West German newspaper said Friday that the Soviet Union tested an antisatellite weapon over Bavaria last summer. The Frankfurter Allgemeine, a respected conservative daily, said the test was carried out in June 1982 during major maneuvers involving Soviet missile units. "During this exercise," the report said, "a killer satellite was deployed against a target satellite sent into orbit beforehand. The killer satellite was triggered over lower Bavaria."

The newspaper said "previously secret information" about the Soviet test was disclosed Thursday to demonstrate Western concern about Moscow's latest proposals for a ban on space weapons. The report from Bonn was attributed to West German sources who were not further identified. The Soviet president, Yuri V. Andropov, told U.S. senators visiting Moscow on Aug. 18 that Moscow planned a new initiative on banning weapons from space.

### Pakistanis to Rally at Bhutto's Grave

KARACHI, Pakistan (Reuters) — All police leave has been canceled in Pakistan's rebellious Sind province as anti-government protesters prepared for a rally Sunday at the grave of the executed former prime minister, Zulfikar Ali Bhutto, officials said Friday. Bhutto was hanged in 1979, two years after he was overthrown by the present ruler, President Mohammad Zia ul-Haq.

The order, issued Thursday night after a constable died when an angry mob attacked a police station near the Bhutto home in Larkana, also called all officers on vacation to return to work immediately.

Bhutto's Pakistan People's Party has called its followers to assemble Sunday for a rally at the grave. Meanwhile, two large gatherings were held in Sind Friday to demand the release of Bhutto's daughter, Benazir Bhutto, an end to martial law and a return to democracy, opposition sources said.

### West German Leader Won't Visit East

BONN (Reuters) — President Karl Carstens of West Germany on Friday declined an invitation from the East German head of state, Erich Honecker, to attend November celebrations for the 500th anniversary of the birth of Martin Luther.

In a letter to Mr. Honecker published in Bonn, Mr. Carstens expressed regret that he would be unable to go to East Berlin on November 7 because of other commitments. It would have been the first visit to East Germany by a West German head of state.

Government sources said they advised the president not to go because of political problems posed by the special status of Berlin. West Germany does not recognize East Berlin as capital of East Germany.

### Nigeria Prepares to Vote for Deputies

LAGOS (AP) — For the fourth time in four weeks, Nigerians will vote Saturday to elect members of the House of Representatives, the lower house of the National Assembly.

The country's pre-eminent National Party hopes to consolidate sweeping gains achieved in previous rounds, while opposition parties have appealed for a strong voter turnout to reverse their losses. In the previous ballots, President Shehu Shagari was re-elected by a four-million-vote margin out of 25.5 million votes cast; the National Party won 13 of 19 state governorships and 55 of the 85 contested federal Senate seats.

The party's victories have prompted comment that Nigeria, one of Africa's few multi-party democracies, is drifting toward a one-party state. "What we are witnessing now is the process of hegemony by one section of the ruling class over the others," a columnist in the National Concord newspaper said this week. The National Party vigorously disputes the view.

### Japan Sees a Role in Defense of West

TOKYO (Combined Dispatches) — Japan should play a positive role in the defense of the West, the government said Friday in a position paper. The chief opposition Socialist Party called the policy statement dangerous.

The annual position paper on defense, adopted by the cabinet, places more emphasis than in previous years on the need for Japan to fulfill its responsibilities as a member of the Western bloc and also on the crucial importance of maintaining the credibility of the Japan-U.S. security treaty. It cites the Soviet arms buildup in the region as "increasing the potential threat" to Japan, but does not advocate military cooperation with NATO.

The report, prepared by the Defense Agency, also sought to calm public fears of sharply increased military spending, saying Japan's gross budget is one of the lowest in the world in terms of the gross national product.

### Property of 2 Vatican Aides Is Seized

ROME (Reuters) — Officials investigating the collapse last year of the Banco Ambrosiano have seized the Italian property of two Vatican officials, a senior Milan magistrate said Friday. Sequestration means that the property is being held as security for any debt.

Judge Renato Brichetti, who is leading judicial inquiries into the collapse of what was Italy's largest private bank, said the action affected the property of Luigi Mezzini and Pellegrino de Strobel and was a normal step in such an investigation. The two men are administrators of the Institute for Religious Works, as the Vatican bank is known.

The Vatican bank's connections with the Banco Ambrosiano and alleged involvement in its collapse are still being studied. The Italian authorities have contended that the bank should repay at least some of the \$1.4 billion that disappeared through Panama financial houses.

### Walesa and Church Criticize Regime

WARSAW (UPI) — The Roman Catholic Church and Lech Walesa, the former Solidarity trade union leader, both criticized Poland's Communist regime Friday for what they said was its failure to heal the wounds left by martial law.

A complaint by the church accused the government of wasting chances to broaden its support after the visit of Pope John Paul II two months ago and of causing new unrest with restrictive laws passed in the parliament, or Sejm, last month.

Mr. Walesa, in a separate statement in Gdansk, said Poland's Communist rulers were trying to stamp out dissent and independent opinion. "A high price has to be paid for democracy and freedom," he said.

### For the Record

COLOMBO, Sri Lanka (Reuters) — The Sri Lankan Parliament voted Thursday to extend a nationwide state of emergency for a further month. Tamil and Sinhalese factions have clashed since July.

BEIRUT (AP) — The U.S. ambassador to Lebanon, Robert S. Dillon, has been appointed deputy commissioner-general of the UN Relief and Works Agency for Palestinian Refugees in the Middle East and will assume his duties by the end of this year, the agency said Friday.

PORT LOUIS, Mauritius (Reuters) — The leader of the Mauritian opposition, Paul Berenger, defeated in general elections Sunday, was admitted to the country's new legislative assembly Friday under the country's "best loser" electoral system. Up to eight seats can be allotted to defeated candidates.

# LE MATIN

D E P A R T I S

## VOYAGE AU CŒUR DE L'ECONOMIE AMERICAINE

### REPRISE ES-TU LA ?

Pendant près d'un mois, de la côte est à la côte ouest, de New York à San Francisco, de Detroit à Houston, de Wall Street à Silicone Valley, Jean-Gabriel FREDET a parcouru les Etats-Unis.

Il a rencontré des banquiers, des grands et petits patrons, des hommes politiques, des experts financiers afin d'analyser précisément la situation économique américaine.

UN GRAND DOSSIER DU MATIN A PARTIR DU LUNDI 29 AOÛT

LE MATIN

مكتبة في الجزائر



## AMERICAN TOPICS

A Twice-Weekly Survey Compiled by Our Staff

## Health Price Tag

The price of hospital care, increasing at three times the rate of inflation, has become the fastest rising cost of doing business in the United States. Corporations are paying \$77 billion this year in health insurance premiums, more than those companies will pay out in dividends. Chrysler Corp. estimates that its health-care costs add \$600 to the price of each car the company sells.

So corporations — and the U.S. government, which is worried about the drag on business and about its own bills — are moving to make health delivery a more competitive business.

Medicare and other government insurance programs and corporations with health insurance programs are incurring huge bills because of several developments. Expensive new kinds of care became available with medical breakthroughs in the 1970s, but there is also a trend for Americans to go to the hospital more often (an increasing proportion of Americans are born in the hospital and die there) and stay longer.

To reduce patients' hospital time, major companies are offering incentives to hospitals and to their own employees to get out of the hospital as soon as possible. Out-patient or other forms of treatment designed to cut hospital charges for Medicare and Medicaid patients, new legislation, going into effect on Oct. 1, will remodel the system of reimbursing hospitals. Payments used to be on a cost-plus basis, a fixed fee or percentage added to the actual cost. Now they will be set in advance for each case, so hospitals will be under financial pressure to limit services and hospital stay to the care prescribed.

A result of this new stringency, experts predict, will include the bankruptcy over the coming decade of at least 1,000 of the 5,200 nonprofit hospitals in the United States.

## Sweeney's Park

In what will be the biggest addition to the national parks in the continental United States under the Reagan administration, Congress has ordered the Interior Department to buy a chunk of land near the Golden Gate Bridge in California. The land, Sweeney Ridge, a scenic



James G. Watt

coastal strip, has been consistently recommended for federal acquisition by California congressmen. But the Reagan administration has favored improving the existing national parks rather than acquiring new land. The park service has spent less than one-third of the \$114 million appropriated by Congress for this fiscal year, now nearly over.

The Sweeney Ridge purchase, expected to cost about \$9 million, was largely engineered by the Trust for Public Land, a small, nonprofit group that negotiates for privately held lands with the idea of turning them over to the government.

Backed by foundations, the San Francisco-based trust regularly uses its nonprofit status to arrange bargain sales and gifts that are financially attractive to both the landowner and the government. The Sweeney Ridge property, for example, would be worth at least \$14 million on the open market, assessors say.

Since the trust started in 1973 with \$700,000 in seed money, it has been the go-between in nearly \$80 million worth of transactions, working closely with previous administrations, which were eager to enlarge the park's territory. But it has often found itself working at cross purposes with Interior Secretary James G. Watt.

Lately, Interior officials have complained about profits made by the trust, an estimated \$100,000 on the Sweeney Ridge transaction and more than \$7 million in a decade of operations. The trust says it has no profits, only "gains," all of which are plowed right back into a revolving fund to allow the trust to acquire more land for the government to buy.

## Time Waster

Senator John G. Tower's decision not to run for re-election next year irks senior White House officials, who say he let the president waste time on trips to Texas to raise money for the senator's re-election campaign when he might have been focusing on other problems, such as how to retain Republican control of the Senate. The Republican edge is 54-46, but the majority leader, Howard H. Baker Jr. of Tennessee, has declared himself out of the race and 5 of the 19 Republican incumbents whose who are up for re-election in 1984 are reportedly in trouble: Jesse Helms of North Carolina, Roger W. Jepsen of Iowa, Thad Cochran of Mississippi, Gordon J. Humphrey of New Hampshire and Charles H. Percy of Illinois. All 14 Democratic senators running next year are considered likely to retain their seats. Republican worries about their fragility in the Senate will greatly increase the pressure on Mark O. Hatfield of Oregon to run again. Mr. Hatfield, who has held public office continuously since 1950, has made no secret of his desire to retire next year, but his departure would mean the Republicans could no longer count on Oregon as a safe seat.

## Encore, Encore

The French automaker Renault, trying to retrieve the U.S. fortunes of its partnership with faltering American Motors Corp., will launch its new model, the Encore, a sporty, European-style hatchback, with TV advertising graced by the "Star Wars" touch of George Lucas. His studios worked for three months finding the graphics that will bend, stretch and shrink the car to suggest how dynamically it handles and how little gas it consumes.

Renault's \$30-million-plus advertising blitz is aimed at convincing American buyers that the European technology associated with cars such as Mercedes, Jaguar and BMW can be obtained much more cheaply in Renault-AMC's mass-market Encore and Alliance, which have \$6,000 price tags.

Americans have bought 140,000 Alliances (the R9 in Europe) in the year since it went on sale, 40,000 more than the company forecast. Renault expects to sell 90,000 Encores (the R11) the first year.

## Notes on People

The Reagan administration, which took office vowing to bring into government more ideologically pure decision-makers, may have set a record for high-level turnover. Only the Treasury, Justice and Agriculture departments still have the top two officials who started the administration. Between then and now: Former Secretary of State Alexander M. Haig Jr. has become a consultant to United Technologies Corp., a company he once worked for, and the Washington representative of the Hudson Institute, the think-tank founded by the late Herman Kahn; Richard S. Schweiker, former secretary of health and human services, has become president of the American Council of Life Insurance; former Transport Secretary Drew L. Lewis, now chairman of Warner Amex, is rumored ready for a leave of absence to run a Reagan re-election campaign; Arthur H. Hays Jr., Food and Drug Administration head, starts in September as dean of New York Medical College; Norman Ture, Treasury undersecretary for tax and economic affairs, has started a consulting firm on taxation; Robert D. Hormats, assistant secretary of state for economic and business affairs, is a vice president of Goldman, Sachs & Co. investment bankers; James L. Buckley, State Department counselor, is president of Radio Free Europe and Radio Liberty.

## Irish Informer's Wife Threatens to Get Divorce Unless He Retracts Testimony

The Associated Press

BELFAST — The wife of a police informer, freed by nationalist guerrillas after 15 weeks in captivity under threat of death, said Friday she would sue for divorce unless her husband, Harry Kirkpatrick, kept quiet.

"If he goes ahead, I will disown him and then file for divorce," Elizabeth Kirkpatrick, 27, was quoted as saying in an interview with the Press Association, Britain's domestic news agency.

"He will have to retract," she said, "but somehow I can't see it. I think he's too ashamed."

Irish National Liberation Army guerrillas, who kidnapped Mrs. Kirkpatrick on May 17, had threatened to kill her unless her husband, 25, retracted testimony against 44 alleged guerrillas. The police recently freed two other kidnapped relatives of Mr. Kirkpatrick.

It remained uncertain whether Mr. Kirkpatrick, held in a special security wing of Belfast's Crumlin Road jail, had traded his wife's life for a promise of future silence or whether the INLA simply decided not to kill her.

## Pentagon Board Assailed for Conflicts of Interest, Cronyism

By Fred Hiatt

Washington Post Service

WASHINGTON — Pentagon auditors say they have found conflicts of interest and cronyism in the Defense Science Board that advises the armed forces on future weapons programs.

The auditors said that the board was violating federal conflict-of-interest law by allowing defense industry executives who serve on it to vote on decisions that might benefit them.

The report said membership on the prestigious board appeared to be based on "personal knowledge" among Pentagon and industry officials rather than on technical expertise.

The Pentagon's research chief, Richard D. DeLauer, rejected the most serious criticisms and suggested that the inspectors' general office would damage its "credibility" and "usefulness" if similar reports became public in the future.

Members of Congress who read the report have threatened to withhold the board's funding this fall if problems are not corrected.

Advice from the 30-member panel has a "major

impact" on decisions on weapons and other planning issues, according to Alvin Tucker, deputy assistant inspector general in the Pentagon. During the past several years, the board has studied the MX missile, laser weapons and many other weapons programs.

The Senate minority leader, Robert C. Byrd, Democrat of West Virginia, and Senator David H. Pryor, Democrat of Arkansas, threatened to try to cut off its funding unless the Pentagon's inspector general assured them it was following the law.

The report said that none of the 33 advisory task forces appointed by the Defense Science Board has met legal requirements for disclosing meetings, keeping minutes and filing personal disclosure forms.

Mandated conflict-of-interest reviews were "superficial" and "perfunctory," the report said, and often took place after a board member had begun his term.

In one case where a conflict of interest was found to exist, the member disagreed and ignored the finding. "No further action was apparently taken and the individual did in fact participate on the task force," the report said.

Of the 124 disclosure forms that were filed by board

members and their task force appointees, 106 revealed a significant interest in a company or organization doing business with the Defense Department. Among those most frequently represented were the University of California, TRW Inc., Hughes Aircraft, Bell Laboratories and the Raytheon Corp.

The executives and officials on the board cited each other as references to get their positions and frequently had held each other's jobs in the past.

"It appeared that the membership of the DSB and the task forces was based on personal knowledge rather than based on a group of technical experts drawn from a universe of knowledgeable individuals," the report said.

In an interview this week, Mr. DeLauer, who is undersecretary for defense research and engineering, defended the Defense Science Board. Mr. DeLauer sat on the board when he was a civilian working for TRW Inc., a major defense contractor.

"We might have been sloppy about filling out the forms right, which we've fixed, but there's never really been a problem with conflict of interest," Mr. DeLauer said. "You've got to pick the people with the best information."

## Grain Pact Gives Soviet Assurances U.S. Leaders Won't Repeat Embargo

By Clyde H. Farnsworth

New York Times Service

WASHINGTON — The Reagan administration has gone out of its way to persuade the Soviet Union that there will be no recurrence of a grain embargo under the new five-year agreement that the two countries signed in Moscow.

The curtailment on sales that President Jimmy Carter imposed in 1980 was criticized by the administration Thursday, and that drew a sharp retort from a former official of the Carter administration.

The accord, signed Thursday, commits the United States to sell at least 9 million tons to the Soviet Union annually. It says that the U.S. government "shall not exercise any discretionary authority available to it under United States law" to limit the shipments.

The administration thus pledged, in effect, that neither it nor a future administration may invoke existing foreign policy or far-reaching national security legislation to block exports.

An Agriculture Department official, who asked not to be identified, said: "It would have to be a very serious thing, a national emergency, a severing of diplomatic relations, almost a state of war for the United States to curtail supplies."

In Moscow Thursday, Agriculture Secretary John R. Block called the partial embargo placed by Mr. Carter on Jan. 4, 1980, in the aftermath of the Soviet intervention in Afghanistan, "distasteful."

Reached by telephone in Mainz Thursday, Mr. Carter's national security adviser, Zbigniew Brzezinski, commented: "The sanctions imposed on the Soviet Union after the invasion of Afghanistan by the

Soviet Union involved across-the-board sacrifices by American athletes, American businessmen and American farmers.

"No one group was singled out but all of it cumulatively reflected American determination to discourage aggression. What is truly distasteful is Secretary Block crawling on his knees to Moscow."

An aide to Mr. Carter, Jane Simpson, said in Atlanta that he was not immediately available for comment.

Elaborating on Mr. Block's comment, David R. Lane, his deputy press secretary, said that what the agriculture secretary had found distasteful was that the supply interruption "hurt American farmers far more than the Russians, who easily filled their needs from other sources."

"At the time of the embargo we furnished 70 percent of the grain import needs of the Russians," Mr. Lane said. "After the embargo, the percentage dropped to about 20 or 25 percent, and we are now trying to regain that market."

The supply guarantees came against a background of so-called sanctity-of-contract legislation that the president signed in January. Under that law, if there were another embargo, shippers would have 70 days after its declaration to deliver what they had sold before the cutoff.

In 1980, there was no such legislation, and contracts were simply severed.

Farm trade specialists said that the sanctity-of-contract provisions could be suspended under presidential powers under extreme circumstances. In that case, they speculated, the big grain merchants would declare force majeure.

## U.S. Sues to Compel Town to Permit Soviet Aides to Bathe at Its Beach

Washington Post Service

WASHINGTON — The Justice Department, in an effort to break a deadlock that has irritated U.S.-Soviet relations for more than a year, has filed suit to force the small community of Glen Cove, New York, to allow Soviet residents of the municipality to use its recreational facilities.

In the spring of 1982, the mayor of Glen Cove, Alan M. Parente, revoked all beach, tennis and golf permits issued to residents of Kilenworth, a 36-acre estate owned since the early 1950s by the Soviet Union and maintained as a residence for Soviet representatives to the United Nations. Mr. Parente's action was later affirmed by a 6-to-1 vote of the Glen Cove City Council.

City officials were angered that, under U.S. law, diplomatic property is exempt from local property taxes. Because the Soviet residents

were not paying property taxes in Glen Cove, the officials decided, they would not be allowed to use recreational facilities unless they paid a special fee. The Soviet Union refused.

J. Paul McGrath, head of the Justice Department's Civil Division, said that the lawsuit was filed Thursday in U.S. District Court in Brooklyn after more than a year of negotiations failed to persuade Glen Cove officials to change their position.

The issue of beach and golf privileges in the Long Island community has been a serious one for the Soviet representatives. On Aug. 5, 1982, in retaliation, the U.S. Embassy in Moscow was informed that until Glen Cove lifted its prohibition on Soviet use of local recreational facilities, U.S. diplomats and their families would be prohibited from using an area for diplomats on the river in Nikolayev Gora in the Soviet Union.

Later, the Soviet government increased the rental fees for a Moscow athletic field that the U.S. Embassy used for softball and other sports. They were raised from a token amount to several thousand dollars.

The lawsuit contains a declaration from Thomas W. Simonds Jr., head of the State Department Office of Soviet Union Affairs, that "should the Soviet Union proceed with its stated aim of taking further measures to deprive U.S. diplomats and their families of recreational facilities, the matter of the use of recreational facilities could easily become a major political issue between the United States and the Soviet Union."

Arthur A. Hartman, U.S. ambassador to the Soviet Union, said that the Soviet retaliation has caused a "drop in morale among the staff and a consequent decrease in its ability to carry out our mission."

## Reagan Says Foes Cloud Rights Policy

The Associated Press

SAN DIEGO — President Ronald Reagan complained in a speech Friday that his efforts to protect the rights of women have become clouded by a "fog of demagoguery."

Responding to allegations that his administration has compiled a record of empty promises for women, Mr. Reagan said, "All of us are interested in one goal: ensuring legal equity for women."

In his speech, given on the 63d anniversary of women's suffrage, Mr. Reagan tried to repair some of the political damage caused by allegations by a former Justice Department official, Barbara Honegger, that Mr. Reagan had reneged on a commitment to purge federal laws and regulations of provisions that discriminate against women.

That program has been described by the administration as its alternative to the proposed Equal Rights Amendment. Miss Honegger called it a sham. She resigned Monday.

"There are laws already on the books to safeguard the rights of women," Mr. Reagan said, speaking to a Republican women's leadership forum. "Those laws must be enforced. Some must be strengthened."



Barbara Honegger holds a photograph of herself with President Ronald Reagan. Miss Honegger, who was described by a Justice Department spokesman as a "low-level muckin'" in her former post at the department, said of the picture: "This is the muckin' with the Wizard of Oz."

"I think it's time to cut through the fog of demagoguery that surrounds this whole issue," he said.

Referring to the program to remove discriminatory provisions from federal laws and regulations, Mr. Reagan said, "Contrary to what you might have heard or read, that process is going forward."

He said he had instructed the Justice Department and the Cab-

net Council on Legal Policy "to accelerate their review of federal laws and to have specific recommendations on my desk for discussion immediately upon my return to Washington."

A White House spokesman, Larry M. Speakes, said this week that the cabinet group would meet in early September, but he said that did not represent an acceleration of its work.



FILM STUDIO INFERNO — Fire swept through an area of Hollywood's Paramount Studios destroying sets used to shoot "Going My Way," "The Godfather" and "China Town." A studio official said no filming was under way where the blaze began Thursday. No major injuries were reported. The cause of the fire was not immediately known.

## Judge Grants Request by DeLorean For Documents of 51 U.S. Agencies

By Dan Morain

Los Angeles Times Service

LOS ANGELES — Crediting the defense with an "imaginative end run" around traditional rules governing criminal cases, a federal judge has decided he has no choice but to grant John Z. DeLorean's request that 51 federal agencies, including the Central Intelligence Agency and the Federal Bureau of Investigation, turn over their files on the automaker.

U.S. District Judge Robert M. Takasugi cited Thursday a 1978 case in which the 9th U.S. Circuit Court of Appeals decided that a man charged with a crime could obtain documents for his defense not only under the federal rules of evidence, but also through the Freedom of Information Act.

The customary procedure is to seek prosecution documents under the federal rules of evidence. By also invoking the Freedom of Information Act, Mr. DeLorean's lawyers could have access to much more government information.

Any member of the public, including those accused of crimes, can ask for documents under the act, a process that can take years. What makes the current case different is that Judge Takasugi ordered the 51 agencies to comply by Sept. 21, in advance of Mr. DeLorean's trial on cocaine-smuggling charges.

The judge said he would screen much of the material to determine whether it relates to Mr. DeLorean's defense. If it does, he will turn it over to the defendant's lawyers.

Assistant U.S. Attorney Layn R. Phillips called the move by Donald Re, a defense lawyer, an "impermissible end run" around the rules obliging the government to turn over documents to the defense. Judge Takasugi, interrupting the prosecutor, grinned and called the defense tactic an "imaginative end run."

Mr. Phillips said it would be impossible to comply with the request by the deadline. He noted that at the Internal Revenue Service office in Detroit alone there are more than 2,500 documents relating to Mr. DeLorean. He said that in his

office at the U.S. Courthouse in Los Angeles, documents on Mr. DeLorean fill seven file cabinets.

The prosecutor added that unless it is overturned on appeal, the judge's order will "eviscerate" the rules of evidence, a statement with which Judge Takasugi agreed. Mr. Phillips predicted that persons charged with all sorts of crimes will start using the Freedom of Information Act rather than the more restrictive rules of evidence.

Under the rules of evidence, persons charged with crimes must convince a judge that the documents they are seeking relate specifically to the crime with which they are charged. But under the

Freedom of Information Act, all documents relating to the individual would have to be released.

One of the defense claims is that Mr. DeLorean was hired into the cocaine trade as part of a plot by the U.S. and British governments to destroy him. At the time the investigation began last year, Mr. DeLorean was defaulting on repayment of a \$140-million loan from the British government to finance his automobile plant in Northern Ireland.

Mr. Re said he is seeking documents from U.S. agencies because their files on Mr. DeLorean may buttress his contention of an international plot.

## San Francisco Unveils New Plan For Central City

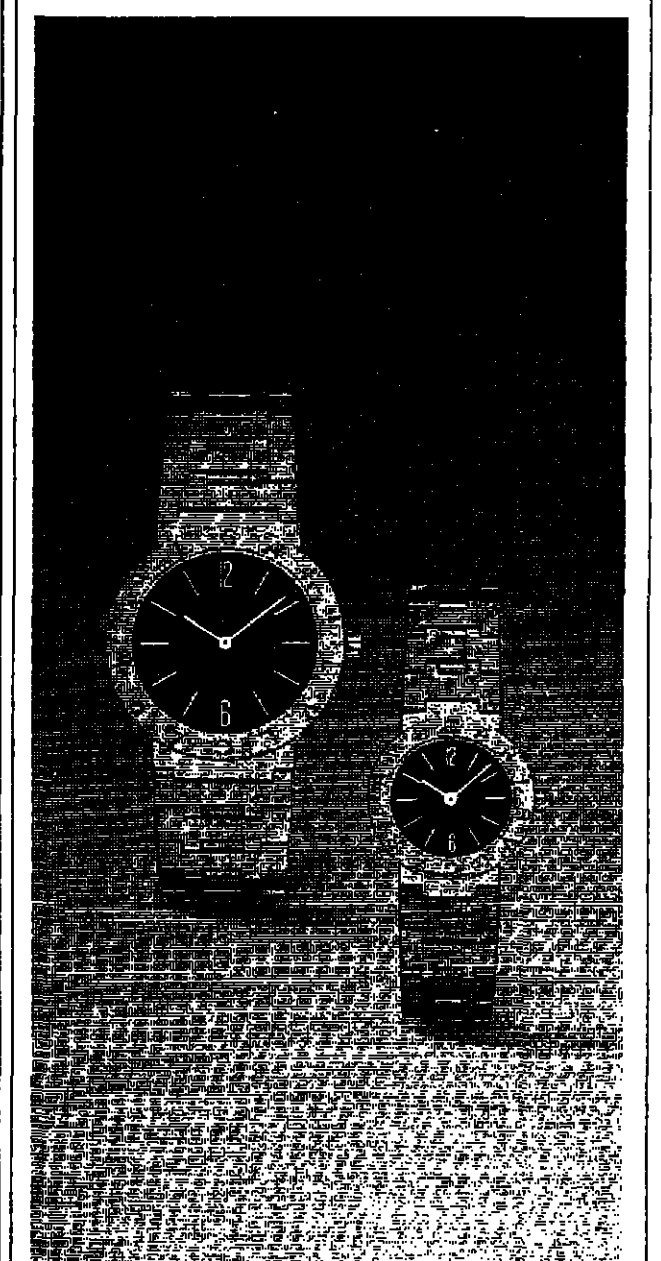
New York Times Service

SAN FRANCISCO — San Francisco's planning department has unveiled a new master plan for the city's heavily built-up downtown area that sharply limits the size and location of new skyscrapers.

If approved, the plan would give San Francisco the most restrictive zoning in any high-rise central business district in the United States.

The plan also sets out what amount to specific recommendations for each block of the downtown business core. It would preserve the low- and medium-rise retail and hotel district.

Mayor Diane Feinstein issued a statement of strong support for the plan. The Board of Supervisors is expected to approve the plan next year, after hearings this fall.



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## Gypsies Trek to French Village To Respond to the Call to Jesus

By John Darnton

**GRAMAT, France**—The beautiful young woman, dressed all in white, with a white ribbon that cut through her black hair like a quarter-moon on a night sky, walked onto center stage. She stepped into a two-foot-tall, plastic wading pool.

She looked nervous, sitting in the water. A man thrust a microphone before her and asked if she was ready to "follow Jesus." She said yes, but it was barely audible even with the mike.

Then she was propelled backward, under the water. She leaped up gasping, drenched, as two women rushed forward to wrap her in a sheet. The audience clapped, the men on stage smiled. The Gypsy band broke into another round of "Toujours Content."

For Jean Le Cossec, standing on one edge of the thronged circus tent and surveying the immersion baptisms with a slightly proprietary air, it was one more soul saved for Baro Deseil—God, in the language spoken by the gypsies known as the Manouches.

What distinguished the four-day evangelical meeting that gathered on a hilly pasture outside this small village in southern France was that almost all of the 12,000 to 15,000 celebrants were gypsies.

The attendance at the regional convention of the World Gypsy Evangelical Movement, founded 30 years ago by Mr. Le Cossec at Brest, was proof enough that Protestant fundamentalism is spreading rapidly among European gypsies, especially in France.

Mr. Le Cossec estimates that 50,000 of the 100,000 to 150,000 gypsies in France belong to his movement.

To the astonishment of local residents the gypsies began pouring in

more than a week ago, settling on 200 acres (80.5 hectares) just outside town called the Grand Prairie. About 2,000 caravans—not horse-drawn wagons but minibuses, campers and sometimes 30-foot (9.2-meter) house trailers—converged on Gramat. As the license plates showed, they came from France, Spain, Italy, Germany and England.

An association of about 70 Grand Prairie landowners was formed to try to block the Gypsy convention. But the mayor said the prairie was common pasture land in the 14th century and overruled their objections.

Their mercantile instincts tapped along with their curiosity, many of the residents have accepted the situation. They come in caravans to gawk and express amazement at the dress, demeanor and all-round social presentability of the gypsies.

The gypsies' encampments include, in addition to goals tied to trailer hitchhikes, television sets, smelly barbecues, outdoor gas stoves and other portable paraphernalia of modern outdoor life.

"They don't realize that for us, this is natural," said Freddy Sabas, from Toulouse. "It's not as luxurious as it may look. Each camper has a whole family. That means five, six, eight people. We don't have houses, so we have to live as we can. What you see, that's all there is."

The spread of the evangelical movement among gypsies is not easy to explain, according to pastors of the movement here. They tend to reject sociological theories—that the hard zeal of fundamentalism, replete with faith healing, laying on of the hands, personal testimonies and communal prayer sessions might find a special resonance among a population still on the margins of society.

Instead, they look to divine explanations, or in missionary terms, to exceedingly practical ones.

"I founded this in 1952 when I was a pastor with the Assembly of God in Brest," said Mr. Le Cossec, 62. "One day a family of gypsies came to my church. They were searching, I invited them to a prayer meeting and they came. They received the Holy Spirit. The next Sunday I baptized 30 in the sea. The next year, 3,000."

"So I left my church. In 1958 I went on the road with the gypsies and I've been traveling ever since." Among the various Gypsy tribes, Mr. Le Cossec calculates that 250,000 have been drawn to the movement and that 60,000 have been baptized.

The story of the original conversion in Brest is now legend among the followers.

"It was a well-known family, the Duville-Reinhard," said Ni Moreno, an elderly woman from Strasbourg-Meinau.

"The boy was dying, he was only 8. The doctors could do nothing, he was abandoned by medicine. One day the mother was given a tract. She didn't think anything of it. She threw it out, but it kept coming back. It would always reappear. Once she found it in the potatoes. It was the word of God. So she went to the Assembly and they prayed. The pastor laid his hands on the boy and he recovered."

"My own family has seen such things. My nephew had a tumor, cancer, and the doctors gave up on him. Now he is fine and sitting right there with his wife and new boy in the next camper."

She yelled over and a young man came by, shyly, with an infant in his arms.

His wife, the man said, was among those being baptized, and so he hurried away to watch.



Janick Lafleur, left, and Patricia Turco prepare a meal near their camper in Gramat.

## 40% of Cuts in U.S. Benefits Affect Households Under \$10,000 Income

By Robert Pear

**WASHINGTON**—The Congressional Budget Office has reported that 40 percent of the cutbacks in U.S. benefit programs over the past two years affected households with annual incomes of less than \$10,000.

In a comprehensive report Thursday, the budget office said that U.S. outlays for almost all human service programs had been reduced below the amounts that would have been spent in 1982-83 under the laws existing when President Ronald Reagan took office.

The cutbacks for such programs averaged 7 percent overall, but

were greater in certain areas, the report said. The cutbacks were 28 percent in child nutrition programs, 13 percent in welfare and in food stamps, 17 percent in compensatory education for disadvantaged students and 60 percent in employment and training programs, compared with the amounts that would have been spent under prior law, the study said.

"Reductions in benefit payments for individuals will be greatest for households with incomes below \$10,000," the Congressional Budget Office concluded. "In 1984, for example, such households will lose an average of \$430 in benefits relative to what they would have received under prior law, as compared to an average loss over all income categories of about \$250."

The 80-page nonpartisan study, done at the request of Representative Thomas P. O'Neill Jr., Democrat of Massachusetts, who is the speaker of the House, showed the effects of completed legislative action, not proposals. It did not attempt to measure the effects of income tax reductions and payroll tax increases adopted in the last two years.

The study described a change in the makeup of the U.S. budget. Military spending is scheduled to rise from 25.7 percent of the budget in fiscal 1982 to nearly 30 percent in 1985, it said. The share devoted to retirement and disability programs would decline slightly, to 24.3 percent from 24.9 percent, although the number of retirees receiving Social Security benefits is expected to rise substantially.

Commenting on the report, Larry M. Speakes, the White House spokesman, said it did not take into account "the obvious benefits of the dramatic upturn in the economy" resulting from Mr. Reagan's policies. The report said that "if the program changes, taken together, should significantly raise the rate of economic growth and reduce unemployment, they would provide higher incomes that would offset reductions in benefits."

But Mr. O'Neill said the study supported his contention that Mr. Reagan's policies were unfair to the poor. "This report cuts through the smoke screen of Reagan public relations to the harsh truth of the Reagan record," Mr. O'Neill said.

"That truth will have major consequences in 1984." Only 23 percent of all households have annual incomes less than \$10,000, but they absorb 40 percent of all the reductions in U.S. spending for individual benefits in the four years from 1982 through 1985, the study said.

Forty-eight percent of households have incomes less than \$20,000 a year, the report said. These households absorb 70 percent of the cutbacks in spending for benefits, it said.

In explaining this pattern, the budget office observed that families in the lowest income brackets were likely to receive more in direct U.S. benefits than other families. But it also said the cuts were deeper in programs where benefits were contingent upon a showing of financial need. These programs, known as means-tested programs, primarily benefit low-income households. They were cut by about 8 percent overall. By contrast, there was a reduction of about 4 percent in benefit programs without such a "means test."

The budget office found only two programs in which legislative action increased outlays. They were in special supplementary feeding for women, and Supplemental Security Income, or cash assistance for the aged, disabled and blind. In each program, outlays for 1982-85 are expected to be 4 percent higher than they would otherwise have been.

### Chinese to Go to Soviet Fair

**BEIJING**—China will send a delegation to next month's Moscow book fair for the first time, the news agency Xinhua said Friday.

## UN Leader Is in Angola For Talks With Nujoma After Meeting Namibians

Compiled by Our Staff From Dispatches

**LISBON**—The UN secretary-general, Javier Pérez de Cuéllar, arrived in Angola on Friday for talks with the Namibian guerrilla leader, Sam Nujoma, over the stalled negotiations for independence of South-West Africa, the Angolan national news agency Angop reported.

In a dispatch monitored here, the agency said Mr. Pérez de Cuéllar arrived from Windhoek, the capital of South-West Africa, and was greeted by officials of Mr. Nujoma's South-West Africa Peoples Organization and the Marxist government of President José Eduardo Dos Santos of Angola.

Ending a two-day visit to Windhoek, which included a stop in the battle zone on the Angolan border, Mr. Pérez de Cuéllar reiterated the United Nations position that the Cuban presence in Angola and the creation of an independent Namibia from South-West Africa are not linked.

South Africa's position is that the only issue standing in the way of a settlement is the presence of 23,000 Cuban troops in Angola. Mr. Pérez de Cuéllar said in Windhoek, after talks with political leaders there, that it was "most unfair" to link a Cuban withdrawal to peace in the disputed South-African controlled territory.

"I will try to solve the problem but in a parallel effort," he said. "I am interested in all the problems that affect international security and if I could be of some use I would be very glad."

He did not make clear if he would raise the question of the Cuban troops with the Angolan leader, who also has rejected the South African position.

Answering charges by local party leaders that the United Nations would favor Mr. Nujoma's SWAPO in a peace settlement, he said: "We will treat all the parties the same."

He did not rule out the possibility that he would recommend rescinding a UN General Assembly resolution passed 10 years ago that SWAPO is the "sole and authentic" representative of the Namibian people.

"But it is something that if I recommend it may not be followed," he said. Namibia has been ruled by South Africa for 17 years in defiance of UN resolutions, judgments of the International Court of Justice and most world opinion.

During a hectic series of 15-minute meetings Thursday afternoon, Namibia's political leaders reacted coolly to claims by Mr. Pérez de Cuéllar that his talks with South Africa earlier in the week made "substantial progress."

Mr. Pérez de Cuéllar was host to some of the approximately 30 local political parties as pro-SWAPO militants held a short protest outside his hotel, chanting slogans and singing songs calling for Namibian independence.

Armed riot police broke up the crowd, confiscating placards reading "Pérez we are perishing" and

"Namibia is bleeding to death." No arrests were reported.

**UN Impartiality Questioned**—Earlier, Joseph Lelyveld of the New York Times reported from Windhoek:

One of the longest-standing issues of the negotiations over independence came up again Thursday, only a day after South Africa told the UN secretary-general that it could be considered settled.

On Wednesday, at the conclusion of talks with Mr. Pérez de Cuéllar, Foreign Minister Rieffel F. Botha declared impartiality to be "no longer an issue" as far as his government was concerned.

But on Thursday afternoon, a front of 11 ethnically based parties called the Democratic Turnhalle Alliance refused to meet with Mr. Pérez de Cuéllar on the ground that it had been given insufficient notice of the meeting and insufficient time to present its views.

Like the nine other political groups scheduled to meet with the secretary-general Thursday afternoon, the Turnhalle Alliance had been due to see him for only 15 minutes.

Dirk Mudge, a white rancher who is leader of the multi-racial grouping, said this was "an insult" and demonstrated that the United Nations was still not prepared to give the parties operating in the territory equal treatment with the insurgent South-West Africa Peoples Organization.

He complained, too, that he had insufficient time to assemble leaders of the front from the far reaches of the vast territory.

Mr. Mudge declared that the United Nations "still cannot qualify to supervise an election in this land."

## Kohl Offers No Hope for Missile Talks

Reuters

**BONN**—Chancellor Helmut Kohl of West Germany said Friday he did not envisage a compromise agreement in the Geneva negotiations on reducing medium-range nuclear weapons in Europe that did not include the deployment of U.S. Pershing-2 missiles.

Mr. Kohl has apparently ruled out any revival of the informal "walk-in-the-woods" compromise formula reached between U.S. and Soviet negotiators last year.

Under this formula, later rejected by both governments, the North Atlantic Treaty Organization would have abandoned the planned deployment of the Pershing-2s in West Germany. It would also have cut the stationing of the much slower cruise missiles to 75, if Moscow reduced its arsenal of 350 SS-20 missiles to the same level.

Asked at a news conference if he could foresee a compromise agreement in Geneva that did not include a mixture of Pershing-2s and cruise missiles, Mr. Kohl replied: "No, I don't see that."

Barring an agreement, NATO will start deploying 572 cruise and Pershing-2 missiles in Western Europe by the end of this year, and all 108 Pershing-2s will be stationed in West Germany.

Mr. Kohl said he was still optimistic over the chances of an agreement.

He disclosed that he had received a letter from Soviet President Yuri V. Andropov recently, in which Mr. Andropov also expressed the opinion that an accord was still possible this year.

Mr. Kohl declined to give any details of the letter and said he did not want to speculate as to whether it represented a softening of the Soviet position.

In a rebuke to the mass anti-nuclear protests planned for West Germany this autumn, Mr. Kohl said: "Political decisions will not be taken in the streets of West Germany."

He also firmly rejected a Greek proposal—backed by Willy Brandt, the chairman of the West German opposition Social Democratic Party and former chancellor—that the Geneva talks be extended for six months and deployment of the U.S. missiles be correspondingly delayed.

Mr. Kohl said the time pressure on the talks, which enter what may be their final phase Sept. 6, was a positive factor. An extension of negotiations "would dissolve the credibility of NATO," he said.

He also said he had ruled out an early decision on the sale of Leopard-2 tanks to Saudi Arabia.

Dismissing press speculation that a decision on the controversial deal would be made in the next few days, the chancellor said the government would not decide until after his planned visit to Saudi Arabia in October.

Mr. Kohl said he did not intend to discuss the tank deal during his five-day trip to Israel beginning Wednesday.

However, Prime Minister Menachem Begin of Israel is alarmed at the prospect of the Saudis acquiring more than 200 of the advanced battle tanks and Israeli officials have indicated that he will raise the matter with Mr. Kohl.

Mr. Kohl said he regarded his visit to Israel, the first by a West German chancellor in 10 years, as of the utmost importance. Although he was the first chancellor of the postwar generation to go to Israel, it was impossible to ignore the legacy of the Nazi persecution of the Jews, he said.

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## ARTS / LEISURE

## A Rare Show of Familiar Masters From Soviet Museums

By Michael Brenson

New York Times Service

LUGANO, Switzerland — One of the most spectacular exhibitions in Europe this summer is not in Paris or London or Berlin but in a villa on the eastern tip of Lugano. In exchange for a loan of 40 paintings from his celebrated Old Master collection, Baron Hans Heinrich Thyssen-Bornemisza has borrowed 40 late 19th- and early 20th-century French paintings of the highest quality from the Hermitage Museum in Leningrad and the Pushkin Museum in Moscow.

The paintings have been rarely seen in the West since they were acquired by the two great Russian collectors, Ivan Morozov and Sergei Shchukin, in the years prior to World War I. This Impressionist to Cubism greatest-hits show, installed in the baron's Villa Favorita, the building that houses his Old Master museum, continues through Oct. 15. The Soviet authorities' selection of the baron's top 40 will be on display at the Pushkin and the Hermitage in the fall and winter.

The initial response to "Masterpieces of Impressionism and Post-Impressionism From Soviet Museums" is likely to be a sense of disbelief. Seeing so many major but still largely unseen and therefore unassimilated paintings by Monet, Renoir, Van Gogh (three by each), Gauguin (nine), one self-portrait and eight paintings of the South Seas, Cézanne (eight), Matisse (six) and Picasso (eight, including five diverse Cubist works), in a setting that is as accessible as the exhibition's scale, may send the visitor scurrying through the rooms, as a child scurries through his entire lot of presents, needing to know the extent of his riches before concentrating on one nugget in particular.

According to villa officials, the exhibition was initiated by Vladimir S. Semenov, formerly head of the Soviet delegation to the Strategic Arms Limitation Talks (SALT) and currently Soviet ambassador to West Germany, who wanted for a long time to bring to the Soviet Union a selection of the baron's Old Master collection. A selection of works from Thyssen's 20th-century holdings will go on display at the Metropolitan in New York on Aug. 31.

Villa officials say that Thyssen selected the works in the

Lugano show himself. With the exception of the van Goghs, in every instance the selection suggests the full strength of the particular artist. Installing a greatest-hits show consisting of a handful of works by a limited number of artists is always a problem. The approach in this case is not historical. Moving from Monet, van Gogh and Renoir to Picasso, then from Gauguin to Matisse to Cézanne, there is really no way to trace the development from artist to artist, movement to movement. The most striking effect of the sequence is that Picasso and Cézanne become the standard by which the work of the other artists is measured.

A show that brings together so many eminent but rarely experienced works has a chance of changing the way the authors of these works are seen. Renoir, for example, may still be tainted by the modernist assumption that major artistic ambition and a painterly preoccupation with the good life are mutually exclusive. In this show, there are two portraits by Renoir, both of celebrated women, both superb. In the 1876 "Woman in Black" and the 1878 "Portrait of the Actress Jeanne Samary," Impressionist brush and color, with their evocation of transience and movement, are combined with a frontal, symmetrical structure that feels as inflexible as a two-ton block of stone. Renoir works against the immobility in such a way that the figures and the paintings seem newborn, having just this second come to life. The earrings and the flower in the hair of the "Woman in Black" are radiant pieces of painting that would draw approval from the best of Renoir's Venetian and Dutch ancestors.

The idea of emerging life is central to the theme of Picasso's show-stopping 1908 "Three Women." This more than six-foot tall painting of three monumental, sculptural figures — a kneeling woman at the right, what seems to be a man starting to rise on the left, and a somewhat androgynous figure standing between them (Leo Steinberg has suggested that "Two or Three Women" would be a more accurate title) — in front of a rock landscape, seems in many ways diametrically opposed to the major Picasso of the previous year, the "Démolisseurs d'Avignon." Picasso's 1908 "Dryad" is a painting of a large, dual female figure striding through a forest: the "Démolisseurs d'Avignon" suggests the dryad's defiant,

closed-fisted left hand; the "Three Women" suggests her right hand, curved and open in a gesture of accessibility and welcome. It is hard to see the two paintings apart.

Steinberg sees the "Three Women," on one level, as a way of resisting Cézanne, who died in 1906 and was given a memorial exhibition in Paris in 1907. Indeed, in its shallow space and muted tones, the Picasso could hardly be further from a painting like Cézanne's 1905-6 "Mont Sainte-Victoire Seen From Les Lauves." In the background of the Cézanne is the familiar white mountain, in the foreground a rumbling mass of brown, green, blue and other paint where it seems as if all the trees and fields of Provence have been fed into the canvas. Unlike Monet's 1867 "Women in the Garden" — in its shower of light the quintessential Impressionist painting in the show — "Mont Sainte-Victoire" is not a painting concerned with the flash of a moment. Colors "arise out of the roots of the world," Cézanne wanted his paintings to devour earth, water and sky.

Even for Cézanne, the materiality of this small painting is extraordinary. If it were suddenly jarred loose from the wall, one has the sense it would go through the floor. Almost all the Cézannes in the show, including the 1873-75 still life and self-portrait and the 1895-1900 "The Smoker," seem like elements unto themselves.

The one artist in the show who is outclassed is Gauguin. Because of his liberties with space, his inventive use of color and his subsequent importance for modernist developments such as Fauvism and German Expressionism, Gauguin's problems as a painter have sometimes been overlooked. Even with the starting play of primary colors and compositional rhythms of Tahitian paintings in the show like the 1892 "Landscape With Peacocks" and 1896 "Tahitians in a Room," many of his paintings remain, in some sense, at war with themselves.

The conflicts in Gauguin's paintings between inhibition and instinct, self-consciousness and spontaneity, the sophisticated and the primitive, human life and nature, ambition and escape, were certainly not his conflicts alone. With the Neo-Expressionism and neo-primitivism of contemporary painting, it is clear the degree to which they are ours. Gauguin defined the problem. All the other artists in this invaluable show suggest answers.

## Frida Kahlo: Belated Success

By Soli Sussman

The Associated Press

MEXICO CITY — An exhibition featuring the work of the Mexican painter Frida Kahlo is receiving the publicity and enthusiasm usually reserved here for such artists as Pablo Picasso or Henry Moore.

That may be related to the growing international interest in the Kahlo's work, especially among feminists and by Mexican-American activists in the United States.

"What's most important about this exhibit is that there are paintings by Frida from foreign collections that haven't been shown in Mexico for many years," says Paula Camper of the National Art Museum.

The show also features photographs by Tina Modotti, who came to Mexico in the 1920s as the companion of the pioneering photographer Edward Weston. It was put together by London's Whitechapel Art Gallery and was shown in West Germany and New York before opening at the National Museum here June 14.

Kahlo died in 1954 at the age of 47. She is best known as the wife of the Mexican painter and muralist Diego Rivera, but she has gained a reputation and a following in her own right.

"Frida," a biography by Hayden Herrera, was published this spring by Harper & Row to enthusiastic reviews in the United States. Time magazine said the book "is a mesmerizing story of radical art, romantic politics, bizarre loves and physical suffering that raises the question: Why hasn't someone told all this before?"

Kahlo was too flashy a figure to be unknown in her own country,



Frida Kahlo: "Self-Portrait With Monkey" (1940).

although it took many years for her art to become widely appreciated. She wore colorful, flowing Indian outfits, perhaps because she enjoyed the attention they attracted.

The style also might have been adopted to hide a fragile body that was crippled first by polio and then, while still a teen-ager, by a streetcar accident in 1925 in which

she was impaled on a steel bar. She was operated on at least 30 times and was an invalid for much of her life.

Her paintings are dominated by self-portraits, usually small and overflowing with lush nature. They are painted in a delicate, primitive style that makes no attempt to hide her pain.

In "The Broken Column," a crumbling pillar jammed into a red gash serves as her spine. Her face is ravaged, and her nude upper torso is bound by bandages and pricked all over by meticulously painted nails.

Kahlo's relationship with Rivera, a large man with tremendous energy, was turbulent. They lived apart much of the time and at one point were divorced and remarried in the same year. Both were active in leftist politics.

Herrera's book tells of the artist's first major exhibition in Mexico, held less than a year before she died.

Kahlo's four-poster bed, decorated with photographs of Rivera and such Soviet leaders as Stalin and Georgi Malenkov, was brought into the gallery where she celebrated the opening with 200 friends and admirers.

Born to a German-Jewish father and a Mexican mother, the family home is now the Frida Kahlo Museum in the Coyacan neighborhood of Mexico City.

Dolores Olmedo, director of that museum and also of the Diego Rivera Museum outside the city, says 4,000 to 5,000 visitors come to the Kahlo Museum each month and 15,000 to the Rivera Museum. The majority of the visitors are American tourists.

"Feminists from all over the world have adopted her as a banner," says Olmedo, a collector of both artists' works and once a model for Rivera. "She was a free woman from the time she was small."

About 50 artists, most of them Mexican-Americans, participated in a "Homage to Frida Kahlo" show in 1978 at San Francisco's Galeria de la Raza. A retrospective of her work was shown in six U.S. cities in 1978-79.

The current exhibition of 90 works by Kahlo is supplemented by photographs, documents and personal belongings. It also includes some paintings from Mexican collections that were not sent abroad.



Frida Kahlo, Diego Rivera on their wedding day in 1929.

## Minor Items Pushed by Glossy Catalogs, Packaging of Sales

By Souren Melikian

International Herald Tribune

THE package matters as much as the contents. Such is in essence the message of the latest sales catalogs produced by the world's leading auction houses. Sotheby's and Christie's are the leaders.

This is first reflected in the cataloging style adopted for minor items. The luxury of the production

## THE ART MARKET

is taking on unprecedented proportions. On Sept. 13, Sotheby's will be selling musical boxes, barrel organs and other sound-producing machines made in this century. Twenty years ago they would not have found their way into the salesroom. Ten years ago they might have been granted small black-and-white reproductions in the square catalogs that made the fortune of Sotheby's Belgravia, a now-defunct salesroom set up to handle goods then deemed unworthy of the main premises at 34-35 New Bond Street. Today they are being given the full color treatment on fine quality art paper under a glossy cover.

A "large 73-key piano melodic" that looks like a whimsical designer's interpretation of a grand piano for a country-house bath-room — with springs in lavender blue under a glittering varnish — is given a full-page color plate. This, and the entry that goes with it, would, until very recently, have been more likely to greet some sophisticated piece of 18th-century cabinetmaking. Remarkably, the estimate is not even enormous: £2,500 to £3,500. The care that has been put into the brochure underlines a dearth of goods that is getting more blatant every day. At least this one covers a closely defined category of collec-

tor's items that has found its public in recent years and it lists pieces that are up to the higher standards within their category.

This is a lot more than can be said about the ambitious hard-bound volume which Christie's has just put out under the title "Luttrellstown Castle," stamped in gilt lettering on the blazing red cloth. The heavy expensive book lists the 1,558 items to be sold on the premises of an Irish mansion with a long history but hardly any furniture or objects that have come down with it. Most of it, as we are informed in the interesting introduction by Desmond Fitz-Gerald — alas in such fine print that few will have read it — was collected by the latest owner, Aileen Plunkett, and the interior decorator Felix Harbord.

Many pieces are French. Not surprisingly, they have the Louis XV and Louis XVI look that was the steady diet of interior decoration magazines in the 1950s and early '60s. They are of a kind to be seen at Drouot almost every week, understandably so, since they were obviously intended to be believed with, not treasured as priceless museum pieces, which they are not. The one element of surprise is the over-cataloging and advertising — if measured by the standards of three or four years ago.

Last season's great revelation is the existence in almost every area of the market of a new category of buyer to whom publication in a luxurious salesroom catalog, preferably backed by a hint at some sort of glamorous background, no matter how hazy, is a sufficient incentive to pay huge prices unrelated to the cataloger's own estimates. The most extraordinary item is that it will happen even in rarified fields such as arms and armor, where no amateur would have dreamed of venturing 10 years ago, let alone risk vast sums.

In Sotheby's April sale the cataloger's warning that a helmet described as "German 14th century" was made up from pieces that do not belong together did not stop it from rising to £107,000.

Other extravagant prices were paid in the sale, largely on the basis of a catalog that impressed non-specialists, unaware that the "Hever Castle collection" provenance was hardly a recommendation — it was all gathered at the turn of the century as stage props for a castle extensively done up and furnished in medieval taste. That could mean three times that, were knocked down at £15,120. A French early-18th-century console in carved giltwood sold for £91,800. It would have been dear at one-third of the price. Overpaying of this kind continued throughout the sale — from a Queen Anne black-and-gold lacquer table at £48,600 to a George I wing armchair at £27,980.

Actually some buyers may not have paid much attention to the notices. A "lilt-armor" made up, the catalog pointed out, from elements "that do not seem to have been born together," whizzed to £187,000, which seems a lot despite the rarity of each separate element.

## Tuscany Shows Offer Wide Range

By Edith Schloss

International Herald Tribune

ROME — Among the many exhibitions in Tuscany cities this summer the ones on the coast are of international scope and so the most stimulating.

One of them, "Art Itinerary," consists of three sections. The first, "The Materials of Art," is displayed against the noble background of Volterra, the ancient Etruscan citadel overlooking the fields of the Maremma spreading to the sea, described as rather melancholy by D.H. Lawrence in his "Etruscan Places," but recently grown into a lively center for discerning tourists. The second and third sections, "The Persistence of Painting" and "Drawings," are housed in a villa about 35 miles to the south, in the resort of Castiglione della Pescaia. The divergent styles — the mixture of by now traditional abstraction with new expressionism; would-be primitives with straight figuratives; recognized artists next to the unknown; the works from Italy, France, England and the United States — might at first sight appear like a wild grab bag, but at second the whole reveals itself as the intelligent and tolerant selection of a critic who has been everywhere and been directly in touch with developments and who has a catholic taste.

At Volterra two slender obelisk-like stalks of marble by Gio Pomodoro, set off against the facades of medieval palaces in the old town square, are modern official sculpture at its best.

Opposite, the Gothic vanities of the loggias of the old fish market house a retrospective of the English Pop artist Joe Tilson. His wooden objects and clay reliefs like puzzles,

with their homemade look and recently accented with the symbols of Greek mythology, all referring to basic values and the elements, are in theory toy colors — toys and enigmas for the modern grown-up to contemplate.

By contrast with these positive sculptural presences, Ypostogny's recent sculptures in polyester resin and his drawings come off as too agitated and unresolved.

At Castiglione della Pescaia the star is the New Yorker painter, Eric Fischl. His new realism treats the banal moments of profane everyday life the way the painters of the past attacked the depiction of miracles. A poolside interlude; a man with a face shaded by a baseball hat; a woman sitting in a stilted '30s movie pose — in the unimpressive shades of cement gray, crème-de-menthe green, lollipop pink and yellow — are rendered with skill, insight and humor.

Judy Ribby is a new and slightly giddy presence from England who seems to like to go to kinky costume parties and indulge in surreal state scenes of dreams. Her "Goliath," the portrait of a thick-tipped punk, is her "straightest" picture. The question is will she grow more focused and less quirky in time, which is not the case with the 41-year-old New Yorker Jeff Way, whose circus-poster figures are however not nearly so fierce and naive as he would have them appear.

Another "new primitive" is the Italian Franco Angelini, painting blue-green underground waters and woods populated with comely monsters and wizards. All these are new and refreshingly unprejudiced. Henri Cucoc, a Frenchman belonging to no school, draws wide fields of grasses and leaves in fine delicate lines in gouache and pastels, creating lyrical tapestries. And

there are the English figurative Colin Smith and the American Robert Arneson. So much for the new discoveries.

On the coast west of Castiglione, itself once the haunt of the Macchiaioli painters, the Tuscan Impressionists, Les Fortes del Marmi, where many more recent painters came to work before it turned into a chic resort after World War II. A small but significant exhibition called "Visual Arts in the Fortes del Marmi 1880-1940," in the city museum, begins with oils of sirens and centaurs on the seashore by the German romantic Arnold Böcklin, drawings by Adolf von Hildebrand, goes on to De Chirico's and his brother Savinio's haunting renditions of this coast, presents the grace of the sculptor Martini, the Symbolist landscape by Elisabetta Bressler, drawings by Viani and various other well-known painters of the '20s.

In adjacent rooms in a show of newly fledged artists, the most lively and new are Pancrazi, Timpini, Maffei and Pucci, while Beragnoli and Stefanoni are also interesting. Still further west lies Pietrasanta, where sculptures from everywhere now not only work in the summer, but have begun to live all year around. This year's show is on naquettes, initial designs in gesso and wax executed by sculptors or their artistic helpers. In a cloister, it begins with such egregious Renaissance presences as Michelangelo and Mino da Fiesole, and gradually, past Canova and Thorvaldsen proceeds to modern times. Hardly anyone who has been working there during the last decades is missing. There are Melotti, Martini, Bigi, Pera, Pietro Casella, Casagrande, Lipchitz, Noguchi, Moore, the Americans Harry Jackson, Philip Pavia and Buschberg, to name a few.

## Brief Notes on U.S. Films

CAPSULE comments on films recently released in the United States:

Although not a horror classic, "Cujo," a new film based on the novel by Stephen King, is "suspenseful and scary," writes Janet Maslin of The New York Times. Cujo is a lovable Saint Bernard, who, after being bitten by a rabid bat, is transformed into a savage dog. "Cujo" is not based on the supernatural, as are many other films taken from King's fiction, neither is it realistic; "but the dog's appearance does become genuinely frightening," writes Maslin, and "the performances are simple and effective." "All of the family members seem believably typical," Maslin writes, "which makes their encounter with the demonic dog all the more involving." In this film directed by Lewis Teague.

Directed by Bruce Malmuth, "The Man Who Went There" is a "wimpy movie," writes Sheila Benson of the Los Angeles Times. "A laughable 3-D comedy," "a starring Steve Guttenberg as a young U.S. State Department aide who is about to marry an 'unpleasant' bride, the film is full of 3-D and invisibility gags, Soviets, Chinese, débâte and a 'vaguely Hitchcockian bent.' The film is 'a pimple on the face of film history,' Benson writes.

"Easy Money," a film directed by James Signorelli, is strictly for easy laughs, says Janet Maslin of

The New York Times, "or at least for those who find Rodney Dangerfield an irresistible card." Dangerfield co-authored the script (with P.J. O'Rourke, Michael Endler and Dennis Blair) for this film in which he plays a baby photographer who would rather be out cavorting with his friends than coaxing toddlers to say "cheese." He "cheerfully misbehaves" until his mother-in-law dies in a plane crash, leaving him "pots of money" — only on condition that he reform. The jokes, writes Maslin, are primarily "ones that might be expected."

The current exhibition of 90 works by Kahlo is supplemented by photographs, documents and personal belongings. It also includes some paintings from Mexican collections that were not sent abroad.

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## Exhibition of Impressionists Opens in Tokyo

By Christine Chapman

Washington Post Service

TOKYO — Four thousand people attended the opening day in Japan on Thursday of the exhibition of Impressionists from the Phillips Collection of Washington, at the Takashimaya art galleries in Nishinabashi.

The show attracted earnest schoolgirls, stylish housewives, truant salaried employees, and His Imperial Highness Prince Takamatsu, younger brother of Emperor Hirohito. The prince toured the galleries with art historian Nobuyuki Senzoku, complimenting Laughlin Phillips, director of the Washington gallery, on the quality of the exhibition.

The Japanese admire the art of the Impressionists because it is easy to understand, according to Katsuya Nakamura, public relations officer of the Takashimaya Department Store.

"Earlier art is more religious, later art is too abstract," he said. But whether it was the gaiety of Renoir's 1881 "Boating Party" or Georgia O'Keeffe's stunning 1940 "From the White Place," the Japanese marveled at the range and beauty of the show.

"I'm an example of the Japanese who like Impressionism," admitted a Yokohama school-teacher, Shigefumi Ito, 47. "They are my favorites because they are bright and clear."

"It's the first time I've ever seen such a comprehensive collection," said Seiko Sadao, 18, a college freshman. "I can enjoy making comparisons."

Sponsored by the daily Yomiuri newspaper, the exhibit includes 72 paintings and 18 works on paper. It is not only the Phillips' first show in Japan, but its first major exhibition overseas. The exhibition is essentially the same show that has toured five U.S. cities since July 1981.

"We have lent individual paintings abroad before," said Laughlin Phillips. "But this is the first time we've ever sent our best things abroad as a unit. They're beautifully installed, the lighting is excellent, and the interaction between the private sector of newspaper, department store, museum, and the public existing."

Most of Japan's department stores include top-floor art galleries like the extens. one at Takashimaya or smaller versions. The "emblem of important shows is both a boon to the store's business and its prestige. Admission to this show is about \$3.75 for adults, \$2.50 for students. The catalog sells for about \$7.

"The Phillips Collection of Washington, D.C., U.S.A.," as the posters label it, will remain at Takashimaya until Oct. 4. From Oct. 29 to Nov. 13 it will be at the Nara Prefectural Museum, in the eighth-century capital city of Nara in western Japan.

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# INTERNATIONAL Herald Tribune

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## No More Hired Barbies

"I today went out and hired me a base fellow," says one entry in the journal kept by the secretary to Sir Francis Walsingham, responsible for intelligence in the government of Queen Elizabeth I. The duties of the "base fellow" were to inform upon others, which is what Klaus Barbie was hired to do in 1947 by the Counter Intelligence Corps of the United States army. Barbie claimed to have contacts and knowledge of Communist operations and influence in postwar Germany and France, so he was hired, harbored and eventually removed from the reach of French justice by the CIC.

Did the army know it had hired a base fellow? It certainly knew he had been a Gestapo officer, which is how he had acquired the qualifications that recommended him to the CIC; and he was on a list of war criminals. But when the State Department and the U.S. High Commissioner's Office in Germany told the army that he was sought by the French, the army chose to save him.

Why? Organizational loyalties? Distrust and dislike of the French, together with fear that in French hands he would reveal U.S. intelligence operations not only in Germany but in France? Organizational embarrassment at having used Barbie in the first place? All seem to have been motives.

But it was an odd morality that applied, saving Barbie in 1951 after collaborating with him since 1947, when at the same time

allied courts were prosecuting thousands of Germans as war criminals. The United States itself, at its courts in Nuremberg and Dachau from 1945 to 1949 (when Germany assumed responsibility for war crimes prosecutions), sentenced more than 450 Germans to death for war crimes. (Most of these sentences were subsequently reduced.)

The former senior American intelligence officer who writes under the pseudonym "Christopher Felix" has described—in his 1963 book "A Short Course in the Secret War"—the American approach to such matters as often that "of moral people who, when faced with an amoral problem, cannot understand the category and therefore behave immorally." That conduct is obviously unedifying. It is also stupid and dangerous; it must be expected eventually to risk rebounding against the country in whose name it is done. The American apology to France for the army's conduct in the Barbie matter is an honorable act with few precedents in international relations. What is deplorable is that it should have been necessary.

What is indispensable is to ensure that the intelligence and political operations being conducted by the American government today have nothing in them that will in future require such an apology. The revelation that the army considered rehiring Barbie in the 1960s makes this a more urgent issue.

INTERNATIONAL HERALD TRIBUNE

## Stalemate in Poland

This has been a demoralizing week for opponents of the Jaruzelski dictatorship in Poland. They attempted a slowdown at the Lenin Shipyard, Solidarity's birthplace, and it fizzled; one of underground Solidarity's five chiefs, Wladyslaw Haredek, accepted a government amnesty and appeared on television urging others to follow his example; and Western bankers, increasingly nervous about Poland's debt, are urging their governments to ease Warsaw's financial isolation. But none of this can give the regime much encouragement. Its political and economic goals remain unattainable as they have been since martial law was declared almost two years ago.

Last fall, when a series of strikes and demonstrations fell short of expectations, many of us in the West prematurely declared the resistance defeated. Then the pope's visit showed that caution should not be mistaken

for capitulation. Repression has had its effect, but in the right circumstances, the true sentiments of Poland become clear.

This pattern of sputter and flash was evident even during Solidarity's heyday in 1980 and 1981. The contrast with the present is that then the Warsaw authorities refrained from any course based only on force and fear. They understood that Poland's complex economy cannot be run effectively without some cooperation from the work force.

What was true then is no less true today, even if the Kremlin will no longer let its Polish clients recognize its truth. They have proved they can tighten political control, as Moscow demanded. The economic revival sought by Poland's creditors remains hypothetical. But combining the two is still not a possibility at all. So the demoralizing stalemate continues.

—THE NEW YORK TIMES

## Other Opinion

### Doing Business With Moscow

The signing in Moscow of a new five-year grain agreement between the United States and the U.S.S.R. may mark a fresh approach by Washington to the thorny question of economic sanctions, but it certainly does not end the heated debate on how best to coordinate policy on East-West trade. There is recentism in Europe that whereas European industry suffered from U.S. sanctions on the Siberian gas pipeline, in the grain deal U.S. domestic politics weighed more heavily than the interests of the alliance. Strengthening and expanding the competence of the Coordinating Committee charged with restricting exports of strategic materials and equipment to Communist countries would be a constructive step in avoiding such conflicts of interest in future.

—The Times (London)

President Reagan, overriding strong objections from Secretary of Defense Caspar W. Weinberger, has lifted controls on the sale of pipeline-laying tractors to the Soviet Union. The decision, coming soon after the negotiation of a new long-term grain agreement, constitutes welcome evidence that the administration is becoming more pragmatic in its management of U.S.-Soviet trade relations.

A strong element of domestic politics was involved in both decisions. Midwestern grain farmers were very much on the president's mind in working out a grain deal, and he was obviously aware that a deal of pipeline-laying tractors would be helpful to the allied Caterpillar Tractor Co., which makes the big machines. This, however, is just another way of saying that East-West trade, while appropriately subject to certain controls on national security grounds, can be economically beneficial to the United States as well as to the Soviet Union.

—The Los Angeles Times

### After the Slaying of Aquino

Who, including President Reagan, can really believe that the Marcos government will conduct a thoroughgoing investigation of the

foul murder of Mr. Marcos's strongest political rival, Benigno S. Aquino Jr.?

Mr. Reagan is probably right to withhold judgment on whether to make his planned trip to the Philippines; he could hardly leap to the conclusion that the Marcos government was responsible for the Aquino murder. However, if nothing but whitewash is forthcoming from Manila, Mr. Reagan will enhance respect for himself and for the United States by having no further truck with a dictator who calls himself an anti-Communist to justify every form of human rights violation.

Military necessity may force the United States to pay Mr. Marcos a blackmail fee—\$900 million over five years—for bases in the Philippines, but that does not mean that Vice President Bush has to proclaim ludicrously that "we love your adherence to democratic principle and to the democratic processes," as he did on a visit to Manila.

After the Aquino murder, Congress needs to take a hard look at a new U.S.-Philippine extradition treaty. But it would probably be too much to expect that holding up the treaty could force the Marcos government to produce an objective report on what happened at the Manila airport. For that, Mr. Reagan ought to rely on his own investigative resources.

—Tom Wicker in The New York Times

The years of martial law and tight control of the press, along with charges of political repression and election chicanery, have left the Marcos regime with many credibility problems. In a sense, it may not matter whether Mr. Marcos or his associates are innocent or guilty of the slaying. So many people here think that Mr. Marcos, or someone near him, is guilty, that conclusive proof to the contrary may not change the perception at all.

It is difficult to find a taxi driver, a waitress or a store clerk in Manila who believes the official story that a lone gunman, possibly with links to communist insurgents, sneaked through tight security at the airport to within point-blank range of his victim.

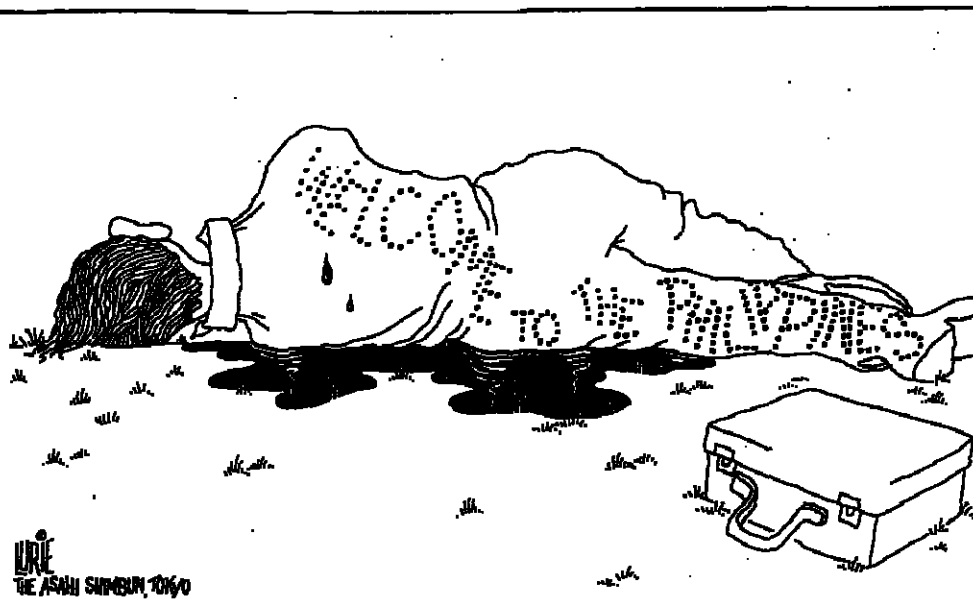
—Bob Secor in the Los Angeles Times

## FROM OUR AUG. 27 PAGES, 75 AND 50 YEARS AGO

**1908: A Suez Tax Plan for Lighting**  
ROME — Italy has presented a proposition for solving the question of lighting the Somali coast in the neighborhood of Cape Guardafui. With the object of overcoming the opposition of the British shipping companies, who refuse to pay a tax in the Suez Canal for the upkeep of a lighthouse, the Minister of Foreign Affairs suggests that the Governments should pay for ships of their nationality on their passage at Suez. The tax is to vary from one to three centimes a ton according to the route. Italy is willing to agree to the holding of a conference within two or three years for the revision of the tax charge, and would accept the control of the Powers for verification of the revenue derived.

**1933: Woman's Situation in France**  
PARIS — Women play a decisive role in American affairs not only because they vote, but because they are strongly organized. Martha Oulie, French delegate to the International Conference of Women, Chicago, says in an article in the "Intransigent." "How can one explain to American women the petty reasons for woman's situation in France? How could one admit the indifference of a large number of French women to it? The continuance of this out-of-date situation in France is the subject of erroneous surprise abroad. The world will soon refuse to take seriously a country which does not take its women seriously. I bring back from America that conviction."

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## Murder at a Filipino Crossroads

By Peter W. Stanley

**NORTHFIELD, Minnesota** — The rule of Ferdinand Marcos, which began vigorously and intelligently amid promises of social reform, economic growth, civic order and political competence, has become little more than a holding operation.

With the worst-performing economy in Southeast Asia and a colossal foreign debt, the Philippines is losing its battle to provide jobs for its mushrooming population. More than half of all Filipino families now report incomes below the poverty line, and about half of all children's deaths are attributable to malnutrition. Reform programs such as those that briefly brought peace and order to the streets, and gave promise of a redistribution of land, have faded into memory.

As a result, the continuing enrichment of palace cronies, the suppression of democratic institutions and the arrest, torture and disappearance of critics of the regime can no longer be rationalized as the price that must be paid for progress and prosperity.

Even the Roman Catholic Church, traditionally a bulwark of social stability in the Philippines, has moved from its posture of "critical collaboration" to open denunciations of the government's abuse of human rights and neglect of the poor.

Manila's preoccupation with Mr. Marcos's health and the rumors of his death that swept the city after the assassination of Benigno Aquino reflect the pervasive sense of a government in decline and an era waning.

Meanwhile, deeply rooted change is occurring in Philippine society. Growing population pressure and the approaching exhaustion of usable land threaten still worse poverty and social violence. The rural social ethic that linked landlords and their tenants in alliances based on mutual obligation has weakened as a result of urbanization and absentee ownership, and is giving way to class divisions. Tensions that have long existed between the central government and outlying regions in the archipelago remain unresolved.

To pick up the pieces after Mr. Marcos and to deal with issues of this magnitude, Filipinos can at the moment turn only to the two extremes: the Marxist revolutionaries of the New People's Army, who maintain guerrilla cadres in two-thirds of the provinces and are estimated to have infiltrated or taken over 20 percent of Philippine townships, and the candidates of

the regime itself, most notably Imelda Marcos. The triumph of either would undoubtedly polarize the country and bring still greater political violence and an increasing role for the once political army.

Thirteen years of authoritarian rule have all but eliminated moderate democratic alternatives. Politicians who must operate in the open are vulnerable to repression. The fatuousness and excesses of democratic politics in the years before martial law have left bitter memories. And an entire generation—almost half the population—knows only Mr. Marcos and his regime. In the absence of a free press and free elections, no one really knows how many Filipinos seek a middle course between Imelda Marcos and the revolutionaries.

Yet even Mr. Marcos feels compelled to legitimize his rule through contrived referendums and elections, and it is hard to see how the grave issues facing the country could be resolved without a broadly based representative government.

Benigno Aquino offered the Philippines one credible hope for a moderate, centrist succession to Mr. Marcos. Whether even he retained the personal authority and political charisma to unite the squabbling factions among Mr. Marcos's moderate opponents is not certain. Filipino politics is a fabric of personal alliances that cannot be maintained without attention and patronage on the spot, and Mr. Aquino, by staying in America for three years, may have been away too long.

His death might persuade Filipinos that moderation is futile and reconciliation hopeless. Unless it galvanizes the moderate opposition loosely allied in the United Nationalist Democratic Organization, the transition from Mr. Marcos may be long and tortuous.

The United States, with a substantial economic and strategic stake in the Philippines and a history of close association, shares with Filipinos an interest in fostering the orderly succession of a stable, moderate, democratic government. It is time to stand off from Mr. Marcos and help in every legitimate way to rebuild the shattered center among his opponents.

The writer is dean of Carleton College in Northfield, Minnesota, and co-author of "Sentimental Imperialism: The American Experience in East Asia." He contributed this column to the Los Angeles Times.

## Deploring Barbie's U.S. Connection Isn't Enough

By Flora Lewis

**PARIS** — The report by the U.S. Department of Justice on Klaus Barbie's American connection is unsatisfying and troubling.

Barbie is the World War II Gestapo officer the French call "the butcher of Lyons." The U.S. Army hired him as an agent in Germany after the war, provided him with a false passport to escape to Bolivia in 1951 when the French sought him for war crimes.

He prospered for 33 years, until a new Bolivian regime turned him over to France last February to face a Lyons court. In the 1960s the U.S. Army considered hiring him again because he had developed high-level contacts in South America, but it backed off because of the risk of embarrassing disclosure.

All this is recounted in the U.S. report, accompanied by a message of

"deep regret" to France. But the report leaves a lot of unanswered questions and misleading implications.

The suggestion that Barbie was the only Nazi war criminal clandestinely evacuated to safety by the United States is almost certainly false.

The case of Ferenc Wajda, the fascist interior minister in wartime Hungary, came to public attention years ago. John Loftus, a Boston lawyer who at one time prosecuted Nazi war criminals for the Department of Justice, says the United States used dozens of "rat lines," or escape routes, to help wanted Nazis disappear.

Mr. Loftus was cryptic in a telephone interview about his discovery of higher-level and much more significant U.S. involvement with Barbie.

than the report discloses, although it claims to be definitive. He said some parts of the record were still classified top secret, and he is currently trying to get an account of his own with important new revelations cleared by the CIA for publication.

It is surprising that Allan A. Ryan Jr., author of the Justice Department report, was apparently unaware of this. Mr. Ryan wrote repeatedly that he had reviewed all existing records and consulted all the people alive who knew about the use of Barbie by American intelligence.

He may simply have been presumptuous, rather than deliberately concealing embarrassing facts, because Mr. Loftus believes that "the U.S. is not capable of giving a complete and truthful account" about the agents it used in the early postwar period. "The records have been hopelessly mislaid," he says. He has now given the government some tips on where to find them.

The Ryan report is not a convincing demonstration that knowledge of what it fails to call "obstruction of justice" in the Barbie case was limited to a dozen or so officers of the army's Counter Intelligence Corps. The report itself refers to the "absence of an inquiry or directive from higher levels" after the case became a public controversy, which suggests serious negligence if not collusion.

Further, the report is addressed exclusively to the Barbie story. How widespread was the U.S. practice of shielding Nazis liable for trial? Again, Mr. Ryan hints that he suspects a lot more than he says.

"No other nation in occupied Germany—France, Great Britain or the Soviet Union—is in any position to criticize the decision to use Barbie now that the U.S. government has revealed the facts behind that use," his report says. "Each of those gov-

ernments made essentially the same decision at the same time: to invoke the available resources of the former German Nazi regime and advance what each government perceived to be its national interest."

That is undoubtedly true, but then why imply that the United States has no more to answer for than the Barbie case? Another more in-depth review is in order.

It is shocking to find that America was both prosecuting and secretly employing Nazi murderers in the immediate aftermath of the war. It is even more shocking to realize that the cover-up is still going on, despite the apparent candor about Barbie.

And that is why the report is disturbing as well as inadequate. Mr. Ryan denounces the Americans who protected Barbie, but he calls their behavior "neither cynical nor corrupt," only misguided.

He believes that "we have seen the end of the attitude that anything is permissible, including the obstruction of justice, if it falls under the cloak of intelligence."

He says the reforms of the last decade should lead intelligence officers to realize that purely operational problems "cannot be the exclusive concern." But do they? There are strong pressures now to undo those reforms, which never went very far, and to give free rein again to secret agencies without the "democratic process of accountability," which Mr. Ryan found woefully lacking in the Barbie case.

The argument is that the Russians always have, still do, and always will use every kind of dirty trick, so the United States must free its agents to match them. The answer, as the Ryan report shows in a most narrow way, is that the United States stands to lose much more than it gains by subverting itself, violating its own laws, and betraying its own principles.

The New York Times

## LETTERS TO THE EDITOR

### Assassination in Manila

I was shocked by the news of the callous murder of former Senator Benigno Aquino. His only crime was to be a threat to President Marcos's power. Mr. Aquino died with honor.

J. de la CRUZ,  
Twickenham, England.

The great never kill for their convictions. Some are even willing to be killed for their convictions.

EVE KENT,  
Paris.

The slaying of Ninoy Aquino is heartbreaking. The circumstances can only leave ground for doubt as to the sincerity of the Marcos government in protecting him.

ROI SEVETSE,  
Geneva.

Two crimes were committed. Mr. Aquino was murdered — and think of the poor man who killed him. The apparent scenario provided for the hired gun to be killed in turn.

We are often told that "free market" economies like that of the Phil-

ippines are a gift compared to the brutality and lack of freedom in Cuba and Poland. It is indeed difficult to buy perfume in Havana, but what about the starvation and degradation in the Philippines?

All countries have human rights violations, but why does murder in some (Argentina, for example) count as progress? So goes defense of freedom from totalitarian Communism.

MICHAEL STORPER,  
Paris.

**The Taiwan Model**

Regarding "Reliance on the West: An Old Chinese Puzzle" (JHT, Aug. 10) by Philip Kahn:

At the end of his article, Professor Kahn implies that the United States should not "lose" mainland China because of issues regarding Taiwan. Perhaps he has forgotten the goals of overall U.S. foreign policy, of which China policy is of course a part. If readers will pardon the overstatement of my argument, I think it is quite clear that the overriding goal of U.S. foreign policy is to plant the

By Marcus Raskin

**WASHINGTON** — The huge U.S. defense budget, the rush to send planes, ships and soldiers to the world's trouble spots, the great preoccupation with "strength" and influence in far-flung corners of the globe—all of this is justified in the name of "the national interest." But what really is the American national interest? The question is rarely asked, let alone seriously debated.

In fact the "national security" policies pursued by the last eight presidents have yielded no obvious benefit for the American nation as a whole.

When the Cold War era began, ordinary Americans had no reason to believe that their homeland was in any serious danger; today it is subject to destruction in the next 30 minutes. That, we might say, is the bottom line of all the hundreds of billions of dollars spent, all the blood spilled, all the energy devoted to pursuing a skewed conception of the national interest since the end of World War II.

Today American national security is more palpably at risk than at any time since at least the Civil War, and probably since 1776. Yet the last time a serious public debate was held about security objectives was in 1948-49, when Secretary of State Dean Acheson solemnly assured the Senate that NATO was not a military alliance which required the permanent stationing of U.S. troops in Europe.

Military budgets now run at \$400 billion a year, and there is the elixir of space wars as the "final solution" to security problems.

It is past time to re-examine critically the military and national security budgets, including the narrow commercial, bureaucratic or military interests that they serve. A continuous debate on the national interest would help to distinguish long-term and enduring needs of the American people from short-term requirements of particular special interests. Such a debate might even save the national future from oblivion.

A new debate should begin with the realization that the United States is a different country than in 1945, when all this began—a fact that ought to be reflected in U.S. relations with other nations. The United States is very, very far from being as powerful compared to the other countries of the world as it was then.

Of course American corporate and military involvement now extends to much of the world, and even into space. But can anyone say that everyday life of Americans has im-

proved as a result? We continue to operate on the assumption that what is good for Exxon or the Department of Defense really is good for the nation, but this is foolish.

None of the so-called successes of the interest groups that dominate public life has stemmed the decline of America's cities, of its industrial base or of its national support systems such as education.

Those elements of American society that set the postwar definition of the national interest no longer dominate the country as they did then. In recent years, internal arrangements have changed in crucial ways.

At the end of World War II America was an apartheid society by law. There were virtually no women active in public life. The Chicago population was not vocal or organized. The Catholic Church in America was not hostile to nuclear weapons or to cold or hot war with nations caught in revolutionary struggle. Does this new America really have the same national interest as that old one?

Today there are many Americans who used to play no role at all in setting national priorities but who are no longer willing to be compliant and silent when they perceive that national policies contradict their own values or interests. It is these Americans, newly enfranchised by the postwar changes in American society, who deserve a loud voice in a new debate on the real national interest.

Postwar American leaders forged alliances and pacts that were brilliant, executed, but which in the present context deepen America's real problem. Contrary to one of George Washington's wisest axioms, the United States adopted and encouraged the mistaken doctrine of permanent hostility.

In the Cold War years the leaders of the United States have vacillated between hubris and feelings of impotence. The executive prepared for every manner of war and fought wars without a declaration of war. In the process, America changed the character of its government and its constitutional process, and derailed its social programs.

The mode of military weaponry, the emphasis on an unholy trinity of defense (the so-called strategic triad), the buildup of conventional forces without reference to the actual economic, political, social and psychological needs of society—all this lays America open to destroying what it seeks to protect, namely, its land, people and institutions.

There is a standard of behavior that America would be well advised to adopt. It is an old principle of international law: Stay out of civil wars, and recognize the winner. It can be wise to stay out of struggles that Americans don't understand.

The national interest requires patience and waiting in making decisions during crises that appear acute. The curious irony of our time is that we have assumed trigger-happy responses, almost mechanical ones, in crisis situations that actually require deliberation, delay and willingness to allow diplomacy to work.

Of course Americans have an excuse for all of their mistaken behavior of the past 38 years. The excuse is "the Russians." If one can blame them for all that has gone wrong in the postwar world, at least consciences will be clear.

Yes, but heads will be muddled. Alas, it is probably true that some Soviet officials actually applaud the course of the last 38 years, which has left their country at the top of the international heap as the widely recognized "second superpower." But the riches of the Soviet continent and the talents of the Russian people would have put them in that position anyway—Alexis de Tocqueville saw it coming 150 years ago.

The sad fact is that today's mad balance of nuclear terror was not inevitable; it was the product of choices made by responsible people in Washington and Moscow. Now responsible people should confront the question of how to break the "entangling tango" of the two superpowers.

Professor John Lewis Gaddis has noted that in this *folie à deux*, it often seems that Moscow takes its cues from Washington. Thus, "the Russians built a big missile system after we did, they built a big navy after we did... and they now, in Afghanistan, even have their own Vietnam."

This is the first of two articles. The writer, a senior fellow of the Institute for Policy Studies, contributed this column to The Washington Post.

seeds of the American democratic and free enterprise system.

Nowhere has U.S. foreign policy been more successful than in the Republic of China on Taiwan. American seeds planted in the 1950s have grown dramatically on Taiwan, but still within the bounds of a society that remains quite distinctly Chinese.

I think two lessons can be drawn from the Taiwan model. First, the United States can be sure that it can indeed influence the Chinese people and nation, for U.S. China policy has been achieved in one part of China—Taiwan. Second, and contrary to what Professor Kahn seems to think, it would be wrong for the United States to abandon Taiwan now.

Wouldn't it be much simpler to let the Chinese on Taiwan carry out America's China policy for it? This is possible because the Chinese model on Taiwan has and will continue to influence the mainland's drift toward the West. In other words, let the Chinese on Taiwan influence their brethren on the mainland. The United States can take a backseat.

ANDY CHRISTOPHER,  
Taipei.



ECONOMIC SCENE

By KAREN DAVIS

Those Who Pay for U.S. Health Care  
Should Unite to Push for Lower Costs

NEW YORK — Progress in combating U.S. inflation has been welcome news. The health sector, however, continues to experience rising inflation. In 1979 the United States spent \$215 billion on the health sector, or 8.9 percent of the gross national product. In 1982 the figure was \$322 billion, or 10.5 percent of GNP. In just three years, health spending increased 50 percent — considerably faster than general inflation or growth in family incomes.

Most experts agree that normal market forces that help restrain inflation in other sectors do not work well in the health sector. Ninety percent of hospital expenditures are paid by public programs or private health insurance plans. A hospital physician charging more than another is not likely to lose business. Until recently most third-party payers had not negotiated or established payment rates.

For the 25 million Americans without health insurance, health-care inflation is a serious problem.

Open-ended payment has permitted the health sector to adopt complex, expensive technology without careful review of its importance, and has encouraged surgery-intensive medicine.

High health-care costs, not surprisingly, are of greatest concern to those who pay the bills. Taxpayers have seen outlays for Medicare and Medicaid, the federal programs that subsidize health care for the elderly and the needy, jump from \$51 billion in 1979 to \$83 billion in 1982.

The average annual family premium for employer-based health insurance is \$1,620. Premiums for some companies have risen as much as 40 percent in a single year. Health benefits are an important issue in collective bargaining.

For the 25 million Americans without any health insurance coverage, health-care costs are a serious problem. One in 10 families, representing 18 million people, spends more than 10 percent of its income on health care. More than three million families, or 7.6 million people, have truly catastrophic out-of-pocket health expenses, exceeding 20 percent of family income.

One approach proposed to combat increases in health-care costs is to introduce more competitive pressure. Legislative proposals include taxing employer contributions to health insurance plans above a certain limit and requiring employers to offer employees a choice among several plans. It is argued that these proposals would give employees incentives to "shop" the health-care market and exert pressure to reduce costs.

But there is no evidence that hospitals and physicians would respond to tax changes by lowering charges, or that tax changes would induce use of lower-cost alternatives. Multiple-choice plans would reduce the economies of scale of group insurance, would lower employers' incentives to self-insure, could lead to adverse risk selection and unstable premiums, and would do away with informed purchasing by employees.

Most of the proposals intended to increase competition and contain health-care costs are largely untried. Even advocates concede that the proposals are unlikely to have a major impact on health-care costs for more than a decade.

Another approach is reforming methods of payment under public programs and private health insurance to create incentives for efficiency. This approach differs from the competition approach in that it emphasizes changing incentives faced by physicians, hospitals and other health-care providers, while the competition approach emphasizes changing incentives faced by consumers.

Mandatory Cost Commissions

Six states have had considerable success in limiting health-care costs through mandatory state cost commissions. These states' average annual increases in hospital costs are about three percentage points below those of states without such commissions.

Medicare's new prospective payment plan based on patient diagnosis should give hospitals an incentive to reduce unnecessary long stays and eliminate unnecessary tests and operations. However, since it will apply only to a fraction of all patients, hospitals will have an incentive to shift costs not paid by Medicare to privately insured patients.

In the meantime, private insurers, employers and unions are struggling with options for stemming health-care costs for privately insured patients. Employers representing a substantial fraction of a local area's health business may be able to negotiate favorable prospective rates from hospitals and physicians.

Some employers are proposing larger deductibles or co-insurance, although this may shift costs to employees rather than reduce hospital and physician charges. Other companies are experimenting with employee health fitness and promotion programs. Some companies are pin-pointing areas where their experience seems out of line with national or regional norms.

But the basic problem remains: As long as the payers are fragmented, the providers of health care are likely to have the upper hand.

The writer, chairman of the department of health policy and management in the School of Hygiene and Public Health at Johns Hopkins University, contributed this article to The New York Times.

CURRENCY RATES

Interbank exchange rates for Aug. 26, excluding bank service charges									
	\$	DM	FF	£	Y	S	¥	₪	₪
Australia	2.3745	4.86	112.02	37.22	0.1078	5.27	132.22	21.07	21.07
Belgium	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36	36.36
Canada	1.3274	1.3274	1.3274	1.3274	1.3274	1.3274	1.3274	1.3274	1.3274
Denmark	1.3676	1.3676	1.3676	1.3676	1.3676	1.3676	1.3676	1.3676	1.3676
France	6.5595	6.5595	6.5595	6.5595	6.5595	6.5595	6.5595	6.5595	6.5595
Germany	1.9363	1.9363	1.9363	1.9363	1.9363	1.9363	1.9363	1.9363	1.9363
Greece	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64	166.64
Italy	2.3363	2.3363	2.3363	2.3363	2.3363	2.3363	2.3363	2.3363	2.3363
Japan	161.01	161.01	161.01	161.01	161.01	161.01	161.01	161.01	161.01
Netherlands	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037	2.2037
Portugal	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48	200.48
Spain	166.36	166.36	166.36	166.36	166.36	166.36	166.36	166.36	166.36
Sweden	1.3676	1.3676	1.3676	1.3676	1.3676	1.3676	1.3676	1.3676	1.3676
Switzerland	1.7363	1.7363	1.7363	1.7363	1.7363	1.7363	1.7363	1.7363	1.7363
Taiwan	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22	37.22
UK	0.7563	0.7563	0.7563	0.7563	0.7563	0.7563	0.7563	0.7563	0.7563
US	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

INTEREST RATES

Eurocurrency Deposits									
	1M	3M	6M	9M	12M	15M	18M	21M	24M
AL	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AM	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AN	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AO	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AP	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AS	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AT	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AW	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AX	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AY	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4

Key Money Rates

United States									
	1M	3M	6M	9M	12M	15M	18M	21M	24M
Account Rate	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4	8 1/4
Federal Funds	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
Prime Rate	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4	11 1/4
Banker's Acceptance	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
Commercial Paper	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
3-month Treasury Bills	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
6-month Treasury Bills	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
9-month Treasury Bills	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4
12-month Treasury Bills	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4	9 1/4

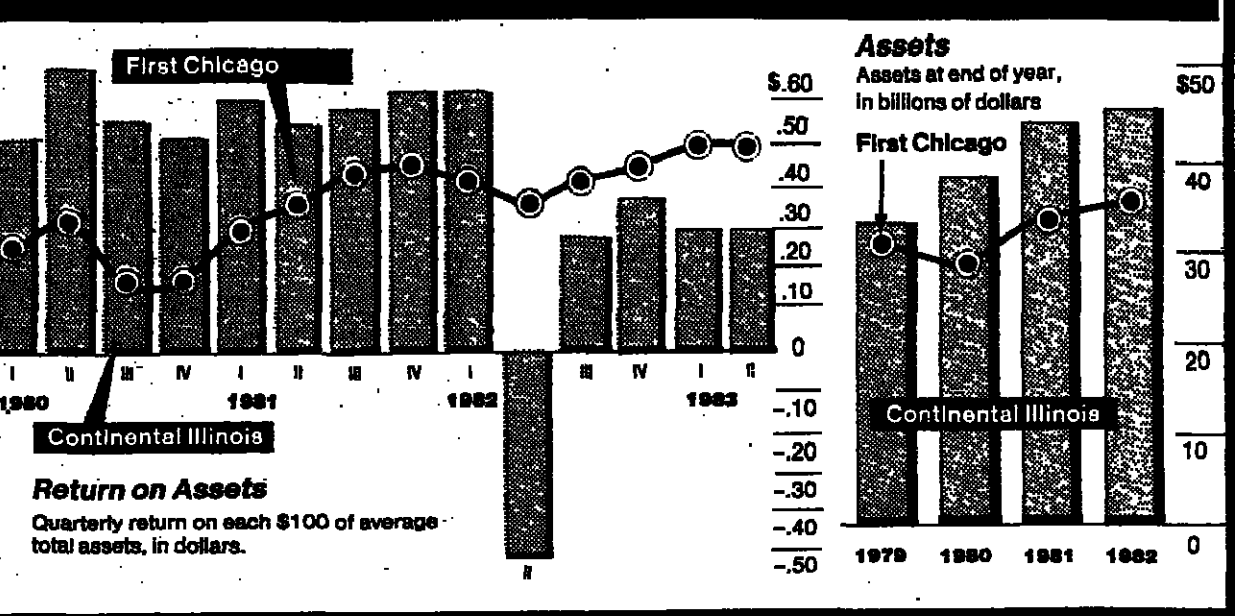
West Germany

Eurocurrency Deposits									
	1M	3M	6M	9M	12M	15M	18M	21M	24M
AL	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AM	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AN	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AO	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AP	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AS	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AT	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AW	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AX	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AY	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4

GOLD PRICES

Gold Prices									
	1M	3M	6M	9M	12M	15M	18M	21M	24M
AL	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AM	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AN	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AO	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AP	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AS	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AT	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AW	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AX	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4
AY	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4	10 1/4

First Chicago Gains Ground on Continental Illinois



New Tactics Turn Around First Chicago

By Winston Williams  
New York Times Service  
CHICAGO — Three years ago, officers of Continental Illinois Bank, this city's largest, were laughing all the way to their vaults over the management comedy that their archrival, the First National Bank of Chicago, was playing. First Chicago was losing a host of venerable clients to Continental, including Inland Steel, the Fritzsche family and Field Enterprises. There had been embarrassing disclosures of loans to the Hunt family to finance its ill-fated silver capers. Profits had been sliding for five straight quarters and First Chicago's top executives were seemingly spent as much time fighting among themselves as they did chasing new business.

Now, the roles are reversed. Continental, still licking its wounds from the failure of Penn Square Bank, which cost it millions of dollars, is retrenching, while First Chicago is rolling ahead. Two weeks ago, First Chicago, the second-largest bank in the city and ninth-largest in the country, agreed to acquire Chicago's fifth-largest bank, American National, in an agreement valued at \$275 million. The announcement followed other upbeat developments.

Last month, the bank reported record quarterly earnings of \$43 million, up 47 percent from the period a year earlier, on net interest income of \$193.7 million. The climbing profits, following improved performance last year and in the first quarter, led to a 10-cent raise in the quarterly dividend, to 33 cents a share.

And last spring, First Chicago and Sears, Roebuck jointly established an innovative export-service company, the first between two major U.S. companies under the Bank Export Services Act of 1982.

Barry F. Sullivan, 53 years old, the elusive, tough and charismatic chairman of First Chicago for the past three years, has received much of the credit for the turnaround. Mr. Sullivan, a 23-year veteran of Chase Manhattan Bank before moving west, was brought in after the bank's affairs became so messy that the directors dismissed the chairman, A. Robert Abbot, now president of Occidental Petroleum, without a ready replacement.

Mr. Sullivan's moves have generally been praised in the banking industry, but some actions have puzzled banking experts. The (Continued on Page 9, Col.3)

IMF, Brazil May Sign Agreement On New Economic Measures Soon

New York Times Service  
NEW YORK — Brazil's major private creditors have completed two days of meetings in New York, amid indications that by the middle of next week the International Monetary Fund might sign a letter of intent with Brazil that would include agreements on a new set of economic measures.

Carlos Langoni, governor of the central bank of Brazil, attended Thursday's closing session after meeting with Federal Reserve officials in Washington, banking sources said.

Mr. Langoni had been expected in New York on Tuesday, but was delayed in Paris following discussions with officials of the Club of Paris, a group of Western creditor nations, over rescheduling payments on \$7 billion to \$8 billion in debt owed to member governments.

Over the past month, bankers have grown increasingly edgy about Brazil, as negotiations between the IMF and the Brazilians over a new set of austerity measures have dragged on.

Those discussions began in early June, after the fund decided to review Brazil's compliance with its economic performance criteria. No money from the IMF or commercial bank loan packages has been forthcoming since those negotiations began.

In the meantime, payments to creditors and suppliers have not been made, and currently amount to close to \$2 billion. Of that, banking sources said that commercial banks are owed interest payments of more than \$500 million. Because of the delay, some banks may soon have to reclassify some of their Brazilian loans as nonperforming.

Bonds Plummet After M-1 Data

United Press International  
NEW YORK — The Federal Reserve reported Friday that the basic measure of the nation's money supply, known as M-1, fell \$200 million in the latest week, a smaller decline than Wall Street had anticipated.

Analysts had hoped for a decline of \$1 billion or more, which would have brought the closely-watched money measure closer in line with the Fed's growth targets.

As a result, bond prices plunged immediately after the Fed report was released late Friday afternoon, with long-term government prices falling a full point.

Earlier in the week, there was speculation in the financial markets that the Federal Reserve might ease its credit stance in the face of slowing money growth. But when the Fed report showed the decline in M-1 was not enough to put money growth back into the Fed's 5 to 9 percent target range, investors "sobered up rather bluntly," as one analyst put it.

The Fed also revised the previous week's M-1 figures to show a smaller decline of \$300 million. The Fed initially had reported a \$500-million decline.

The M-1 numbers dashed hopes the Fed would ease up on its credit policy, at least until money-supply growth falls back within the Fed's announced target range.

With the anticipation that the Fed would not loosen its reins, the dollar rose slightly in New York Friday to 2.6723 Deutsche marks from 2.6569 DM Thursday, and against the pound, to \$1.5023 from \$1.5035.

But with money growth running only slightly above Fed targets, analysts do not foresee any immediate move by the Fed to accelerate a decline.

"The general feeling is the Federal Reserve will hold to a stable stance, which means interest rates should be relatively unchanged in the weeks ahead," said David M. Jones, economist at Aubrey G. Landon & Co.

"I think the Fed is happy to see the decline but I think the Fed would like to see a larger decline so that the numbers fall back into the 5 to 9 percent target," he said.

In the latest 13 weeks, M-1 averaged a 12.2 percent rate of gain.

Fed Unit Clears Slight Tightening

NEW YORK — The Federal Open Market Committee, the policy-making group of the U.S. Federal Reserve, voted to increase slightly the degree of reserve restraint at its meeting on July 12 and 13, minutes of the meeting showed.

The notes showed that the committee expected M-2 money supply to grow at an annual rate of about 8.5 percent from June to September, M-3 at 8 percent and M-1 at 7 percent. M-1 is the designation for money in circulation and in checking and similar accounts. M-2 includes M-1 as well as savings accounts and bank money-market accounts. M-3 comprises M-2 and deposits at nonbank thrift institutions.

NEW YORK STOCK PRICES  
Manage a Modest Gain  
United Press International  
NEW YORK — Prices on the New York Stock Exchange stumbled at the outset Friday but regained their balance with the aid of bargain hunters to score a modest gain in extremely slow trading.

Auto, airline and high-technology issues attracted some attention and defense stocks recovered a bit. The Dow Jones industrial average, down more than six points at the outset after gaining 0.81 Thursday, climbed 7.01 to 1,192.07. But it lost 2.14 for the week overall. The Dow Jones transportation average gained 8.08 to 532.50 for the day to pace the market.

Advances topped declines 4 to 3. Volume was 61.6 million shares, down from 70.2 million Thursday. The American Stock Exchange index added 0.68 to 227.17. Declines outpaced advances 296 to 267. Volume was 5.1 million shares, down from 6.3 million Thursday.

"This was just a bounce, with some of the stocks that got gloom-battered earlier this week rebounding," said Yildizgar Zargoski of Prudential-Bache Securities.

Also, averages were helped by nervous professional traders replacing borrowed shares they had sold earlier. But the slow trading showed that there were not many buyers or sellers among institutions.

Many investors were awaiting the Federal Reserve's post-market report on the money supply, which showed that the M-1 aggregate decreased \$200 million, less than expected.

Federal funds rates rose to between 9 1/4 and 9 3/4 percent after falling to 9 1/4 percent Thursday. The Fed blunted speculation Thursday that it had eased credit when it drained funds from the banking system to keep the key rates from falling more.

On the trading floor, Chrysler was the most active NYSE-listed issue, up 2 1/4 to 26. Chrysler warrants gained 2 to 13 1/4. The automaker said it would file with the SEC 14.4 million warrants to be sold on behalf of the government, which guaranteed loans to the company.

General Motors jumped 1 1/4 to 68 1/4 and Ford rose 2 to 54 1/4 in active trading. El Paso Co. rose 1/4 to 23 1/4. Burlington Northern, which offered to buy the 52 percent of El Paso stock it does not own, rose 1 1/4 to 85 1/4.

Xerox gained 1/4 to 45 1/4. The Federal Communications Commission modified a 1975 consent order to allow Xerox to advertise and promote new copying machines more easily.



NYSE Most Actives					
Symbol	Vol.	High	Low	Close	Chg.
Chrysler	1,000,000	28 1/2	28 1/4	28 1/2	+ 1/4
IBM	1,000,000	117 1/2	117 1/4	117 1/2	+ 1/4
AT&T	1,000,000	48 1/2	48 1/4	48 1/2	+ 1/4
General Electric	1,000,000	34 1/2	34 1/4	34 1/2	+ 1/4
Boeing	1,000,000	71 1/2	71 1/4	71 1/2	+ 1/4
Johnson & Johnson	1,000,000	25 1/2	25 1/4	25 1/2	+ 1/4
Merck & Co.	1,000,000	45 1/2	45 1/4	45 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4

Dow Jones Averages					
Index	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

NYSE Index					
Index	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

Friday's NYSE Closing					
Vol.	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

AMEX Diaries					
Index	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
AMEX	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
AMEX	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

NASDAQ Index					
Index	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NASDAQ	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NASDAQ	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

AMEX Most Actives					
Symbol	Vol.	High	Low	Close	Chg.
Chrysler	1,000,000	28 1/2	28 1/4	28 1/2	+ 1/4
IBM	1,000,000	117 1/2	117 1/4	117 1/2	+ 1/4
AT&T	1,000,000	48 1/2	48 1/4	48 1/2	+ 1/4
General Electric	1,000,000	34 1/2	34 1/4	34 1/2	+ 1/4
Boeing	1,000,000	71 1/2	71 1/4	71 1/2	+ 1/4
Johnson & Johnson	1,000,000	25 1/2	25 1/4	25 1/2	+ 1/4
Merck & Co.	1,000,000	45 1/2	45 1/4	45 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4

NYSE Most Actives					
Symbol	Vol.	High	Low	Close	Chg.
Chrysler	1,000,000	28 1/2	28 1/4	28 1/2	+ 1/4
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General Electric	1,000,000	34 1/2	34 1/4	34 1/2	+ 1/4
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Merck & Co.	1,000,000	45 1/2	45 1/4	45 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4

Dow Jones Averages					
Index	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

NYSE Index					
Index	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

Friday's NYSE Closing					
Vol.	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NYSE	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

AMEX Diaries					
Index	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
AMEX	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
AMEX	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

NASDAQ Index					
Index	High	Low	Close	Chg.	Vol.
Indus.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Transp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
Comp.	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NASDAQ	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000
NASDAQ	1,000,000	1,000,000	1,000,000	+ 1,000	1,000,000

AMEX Most Actives					
Symbol	Vol.	High	Low	Close	Chg.
Chrysler	1,000,000	28 1/2	28 1/4	28 1/2	+ 1/4
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General Electric	1,000,000	34 1/2	34 1/4	34 1/2	+ 1/4
Boeing	1,000,000	71 1/2	71 1/4	71 1/2	+ 1/4
Johnson & Johnson	1,000,000	25 1/2	25 1/4	25 1/2	+ 1/4
Merck & Co.	1,000,000	45 1/2	45 1/4	45 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4

## U.K. Recovery Shows Indications Of Fizzling Out

**Reuters**

LONDON — Britain's flickering economic recovery shows signs of fizzling out as a gloomy picture emerges of one in seven people living below the poverty line.

Economists question whether Prime Minister Margaret Thatcher's much-heralded recovery, nurtured by a spring consumer boom, can be sustained in the face of a sudden drop in exports and declining industrial production, with inflation on the rise again. Unemployment meanwhile remains very high.

A spate of discouraging forecasts and economic statistics has raised fresh doubts that Britain, which slipped into recession in 1979, is finally back on the road to prosperity.

The Conservative government, re-elected in June, has pinned hopes on exports leading the recovery. But these took a knock last month, slumping 7.5 percent from June to £4.73 billion (\$7.1 billion), which left a trade deficit of £350 million.

Predictably, sterling dropped slightly on foreign exchange markets when the July figures were released this week, and the London stock market, which hit a record last week, lost some ground.

While officials said the export decline was just a hiccup, the latest nonpolitical economic study contradicted the official optimism that the recovery would gain momentum next year.

The National Institute of Economic and Social Research, a private group, predicted this week that the consumer boom would peter out, economic growth would slow, inflation would almost double to 8 percent by the end of the year and unemployment would remain over three million for the next 18 months.

**BARRON'S WAS WRONG: WE WERE RIGHT!**

A lapse of memory is a valuable asset. On August 9th 1982 when the Doves were sagging under 700, BARRON'S missed. The market seems to be saying it's seen the future and it doesn't work. At the time BARRON'S and "STREET" were bashing our researches and the consensus, writing BEFORE THE DOW JONES WILL HIT 1,000 BEFORE THE DOW JONES WILL HIT 1,000.

Adding, as a postscript, "100,000,000 SHARE TRADING DAYS ON THE N.Y.S.E. WILL BECOME ROUTINE."

The epilogue has been written, on Tuesday August 17, 1982 the Averages rocketed 38 points, during the following session 130,000,000 shares were traded. Last week BARRON'S, forgetting their dire warning wrote, "SO HERE WE ARE, 12 MONTHS LATER, 406 POINTS HIGHER, ALL FAT AND SASSY."

Who garnered greater profits?

Those who subscribed to BARRON'S errant musings or clients of F.P.S.?

Since January 1982 over 80% of equities recommended by our analysts have advanced, many making 5 year highs, less than 7% are down. And now? Will the Bull be slain, or will he romp in greater pastures?

THE DOWS WILL CATASTROPHE ABOVE 1,500, although there will be corrections as investors shuffle from one group of equities to another.

Three months ago on these pages we commented, "Consider the craze for high tech shares, a madness that will ultimately pulverize the public's pocketbooks. The refusal of novitiates to profit from the past has been documented. Sell your shares, pay 40, 40 or 50 times earnings for equities bearing a futuristic name while dividend paying oils and oil service stocks are consistent at 6 or 7 times earnings."

Three weeks before TEXAS INSTRUMENTS collapsed 45 points our researchers said, "TXN IS BLATANTLY OVERVALUED," in the same report we dissected callow science souffles, cooked up by greedy underwriters, "Blue-chip boys in flares" and gray flannel bankers on Wall Street.

Our current letter reviews a medium sized oil now that may be ingested at 800 or better, plus an emerging debt-free equity trading at 85% that could mature as another proverbial "winner," a SYNTEX or a GENERAL FOODS.

For your complimentary copy, please contact or write to:

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INT 34

NYSE Most Actives					
Symbol	Vol.	High	Low	Close	Chg.
Chrysler	1,000,000	28 1/2	28 1/4	28 1/2	+ 1/4
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General Electric	1,000,000	34 1/2	34 1/4	34 1/2	+ 1/4
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Johnson & Johnson	1,000,000	25 1/2	25 1/4	25 1/2	+ 1/4
Merck & Co.	1,000,000	45 1/2	45 1/4	45 1/2	+ 1/4
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Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4
Amgen	1,000,000	32 1/2	32 1/4	32 1/2	+ 1/4











# Effects of Tower's Decision Debated

## Analysts Call Move's Impact on Defense Issues Exaggerated

By Martha M. Hamilton  
Washington Post Service

WASHINGTON — Defense and aerospace stocks have been declining this week, and some analysts attributed the movement to the announcement by Senator John G. Tower, Republican of Texas, that he would not seek re-election.

But other analysts said the impact of Mr. Tower's resignation was exaggerated. They noted that he would probably be succeeded as chairman of the Armed Services Committee by Barry Goldwater, Republican of Arizona, or, if Democrats regain control of the Senate, by Henry Jackson of Washington. Both support a strong military budget.

Several analysts said bigger factors in the sell-off of defense and aerospace stocks Wednesday and

Thursday included anticipated cuts by Congress in military appropriations, the natural end of a cycle of high prices for defense stocks, the uncertainty surrounding the 1984 elections in general, and recovery in other sectors.

"Basically, [the Tower announcement] hit people over the head and focused the people who have discretion over money" on the other factors, said David Smith, an analyst with Sanford C. Bernstein & Co.

He said defense company earnings would continue to be strong in the next several years because of appropriations commitments already made. Offsetting that expectation, however, is bad news on the political front, including expected budget cutting, attacks on wasteful spending, and the elections, he said.

Mr. Smith said he thought the reaction to Mr. Tower's announcement was "a knee-jerk reaction, and when people come around they will see those earnings are going to be strong."

United Press International quoted a Drexel Burnham Lambert analyst, Lawrence Lytton, as saying that Mr. Tower's announcement "the main protagonist [of defense spending] is stepping down." Mr. Lytton also said that Mr. Tower's lame-duck status would weaken the administration on military issues.

"I think it's an exaggeration" to attribute the stock's decline to the news about Mr. Tower, said Alan Benasuh, another analyst for Drexel Burnham. "I think it was something that triggered other factors." He also said the decline was partly due to a nervous market and



John G. Tower

"a tendency to take profits in things that have worked out."

"Even if the Democrats take hold of the Senate, Scoop Jackson is no dove," he said. "It's just the little thing that triggered everything else."

# Gulf & Western Hopes to Sharpen Image

## Analysts Praise Move to Stress Consumer Sector

By Pamela G. Hollie  
New York Times Service

NEW YORK — From his 42nd-floor office on 61st Street here, Martin S. Davis, head of Gulf & Western Industries, has a clear view of upper Manhattan. From that vantage point, Central Park seems to neatly divide the crowded island into three distinct pieces.

This sense of order appeals to Mr. Davis, who was named vice chairman and chief executive in February after the unexpected death of Gulf & Western's founder, Charles G. Bluhdorn.

Since he took control of the sprawling conglomerate, Mr. Davis has been pruning and restructuring the company, mulling it, in fact, into three distinct operating units. The vast securities portfolio that Mr. Bluhdorn assembled has been sold, businesses have been sold, debt reduced and assets consolidated. All of which is leading to a new image of G&W as a consumer-products company.

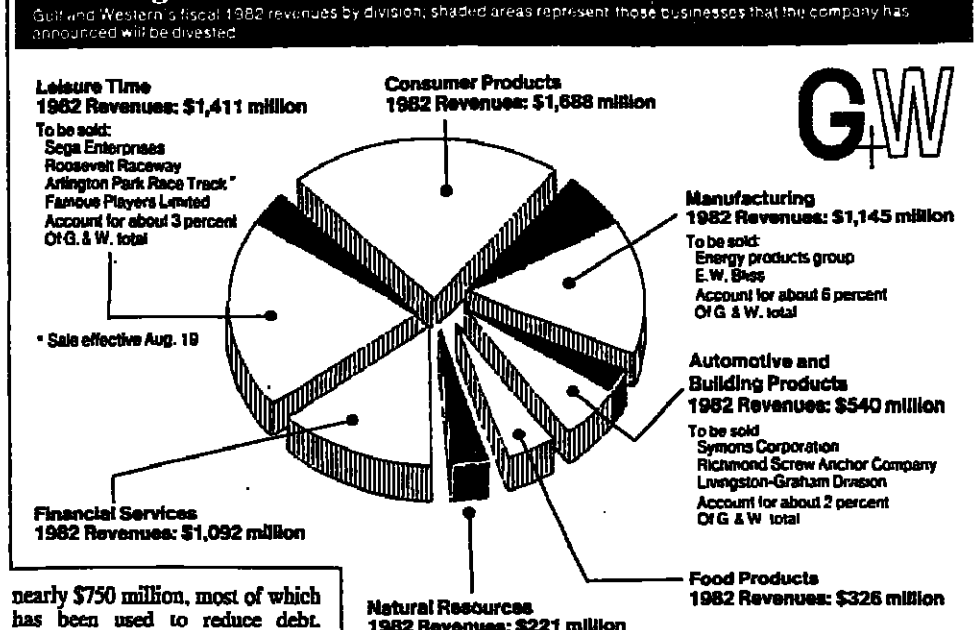
Under Mr. Bluhdorn, who amassed more than 100 companies in 25 years, Gulf & Western, with \$5.5 billion in annual revenue, was able to boast that its businesses ranged from A to Z, automotive to zinc.

"We're in a different mode," Mr. Davis said. Earlier this month, Mr. Davis announced that Gulf & Western would divest itself of 20 percent of its assets, or about \$1 billion in sales. The company, which once had 21 operating units, will be consolidated into three areas — entertainment, financial services and consumer products.

The plan would result in write-offs of \$470 million, twice what analysts had anticipated, and a net loss of about \$215 million in the fiscal year 1984. But shareholders are to get an increase in the quarterly dividend to 22.5 cents a share from 18.75 cents a share on Oct. 1. And Mr. Davis, who has a reputation for delivering, has promised investors "a stronger, leaner, more profitable, more growth-oriented company, with a solid base for expansion, both internally and through acquisitions that are compatible with other G&W operations."

Michael S. Hope, chief financial officer, discussed the divestiture. "This is the third step in something that started four or five months ago. The first step was management restructuring and bringing in operating people into the office. The next step was the portfolio sale, which has so far brought in

## The Reorganization of Gulf and Western



Martin S. Davis

nearly \$750 million, most of which has been used to reduce debt. Third, we defined operations."

The divestiture, Mr. Davis stressed, was begun by Mr. Bluhdorn, who in 1979 began a program to lessen dependence on capital-intensive operations. But it has been Mr. Davis who beat out other contenders for Mr. Bluhdorn's job and pushed Gulf & Western rapidly forward.

"These things might have happened anyway," said the 56-year-old executive, who began his career as a director of marketing and sales at Paramount Pictures. But Mr. Davis acknowledged that his management style called for fast action.

Analysts who have followed the sometimes growth-for-growth's sake style of Mr. Bluhdorn's empire building view the changes at Gulf & Western favorably. Many felt that, as structured, the Bluhdorn empire was unmanageable.

"Mr. Bluhdorn was the only man who understood it," said Richard L. Hanley, analyst for Prescott, Ball & Turben. "Historically the street shunned the stock because nobody understood it. That's why the stock sold so cheap."

The divestiture will not only pare the company's low-growth businesses but also some profitable operations that no longer fit the company's plan. Nearly half the write-offs will come from the company's ailing natural-resources division in Nashville, Tennessee, and will include the company's 60 percent interest in Jersey Miniore Zinc in Clarksville, Tennessee.

The company is also selling its building products and race tracks. G&W will sell the Arlington Park race track in Illinois for about \$18 million. Also to be sold are the company's video-games units and Famous Players theater chain in Canada.

According to Neil Call, executive vice president with responsibility for the company's long-term strategic development, negotiations are under way for the sale of several companies, some of which may be sold to the various managers. In March, Consolidated Cigar subsidiary was sold for \$120 million in cash and notes to its management.

But Gulf & Western is expected to hold on to those companies it sees as vital to its new image as a consumer and communications company. Analysts consider Paramount Pictures Corp. and Simon & Schuster Inc., Gulf & Western's publishing subsidiary, as the company's two strongest units.

Both fall under Barry Diller, president of the new entertainment and communications group, considered the most powerful of the three Gulf & Western presidents. The other presidents are Reece A. Overcash Jr., president of the Gulf & Western services group, and James I. Spiegel, president of the company's consumer-and-industrial-products group.

Though Mr. Bluhdorn was aware that his company had grown too large to be managed easily, analysts credit him with building a team capable of making the running of the company look easier than it was.

Although many outsiders believed that Mr. Bluhdorn ran the company singlehandedly, "a company this size can never be run by one man," said Lawrence E. Levinson, executive vice president. But he added, the changes that have occurred during the last few months were necessary to show investors and employees that Gulf &

Western would move forward without Mr. Bluhdorn.

"It was a rapid change that was forced on us," said Mr. Levinson, who was among the contenders for Mr. Bluhdorn's jobs.

Mr. Levinson spoke of the transition at Gulf & Western as if it had happened almost effortlessly. But, shortly after Mr. Davis was named vice chairman, David N. Judelson, president and chief operating officer, resigned, and Richard E. Sawyer, head of Simon & Schuster, was said to have been unhappy after he was told that the restructuring would result in his reporting to Mr. Diller.

With the major shake-ups over, Mr. Davis said the company was proceeding with its plans. The divestiture may take two years to complete, but the company will not wait to begin the fourth step of its corporate plan.

"Step 4 is to run what we've now identified as a new company," Mr. Davis said. That new company, he said, will be a broad-based consumer company. And, yes, he said, it will still be a conglomerate.

## Grains

Open	High	Low	Close	Chg.
WHEAT				
1,000 bu minimum-dollars per bushel				
Dec	4.84	4.82	4.83	+0.01
Mar	4.84	4.82	4.83	+0.01
May	4.84	4.82	4.83	+0.01
Jul	4.84	4.82	4.83	+0.01
Soybeans				
1,000 bu minimum-dollars per bushel				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01
Corn				
1,000 bu minimum-dollars per bushel				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## U.S. Future Prices

Open	High	Low	Close	Chg.
COFFEE C				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01
SUGARWORLD 11				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Financial

Open	High	Low	Close	Chg.
U.S. BILLS				
100 million of 100				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Stocks

Open	High	Low	Close	Chg.
SP 500 INDEX				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Livestock

Open	High	Low	Close	Chg.
CATTLE				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Metals

Open	High	Low	Close	Chg.
COPPER				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Commodity

Open	High	Low	Close	Chg.
COFFEE C				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## London Commodities

Open	High	Low	Close	Chg.
SUGAR				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## London Metals

Open	High	Low	Close	Chg.
COPPER				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Floating Rate Notes

Open	High	Low	Close	Chg.
COFFEE C				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Paris Commodities

Open	High	Low	Close	Chg.
SUGAR				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Dividends

Open	High	Low	Close	Chg.
COFFEE C				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Non Banks

Open	High	Low	Close	Chg.
COFFEE C				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

## Legislature in Haiti Acts

The Associated Press

PORT-AU-PRINCE, Haiti — The legislature has voted unanimously to suspend Haiti's constitution, at the request of President Jean-Claude Duvalier.

Mr. Duvalier said some changes would be made in the constitution, which has been altered several times over the years. No other details were given. The constitution was suspended Thursday, and the legislators are to meet again to vote on the revised document when it is presented by Mr. Duvalier.

## Over-the-Counter

NASDAQ National Market Prices

Open	High	Low	Close	Chg.
COFFEE C				
1,000 lbs. c-shipper lb.				
Dec	1.24	1.23	1.23	+0.01
Mar	1.24	1.23	1.23	+0.01
May	1.24	1.23	1.23	+0.01
Jul	1.24	1.23	1.23	+0.01

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## SPORTS

# Candiotti Blanks Angels, 7-0, To Keep Brewers in First Place

Compiled by Our Staff From Dispatches  
MILWAUKEE — The Milwaukee Brewers defeated the California Angels, 7-0, on Thursday as the rookie Tom Candiotti pitched an eight-inning shutout.

## BASEBALL ROUNDUP

week he defeated the Boston Red Sox, 5-1.

"I was not impressed with his pitching," said the Angels' second baseman, Bobby Grich. "He shut us out but we were just not swinging well."

The Brewers, who kept their narrow lead in the American League East, disgraced with Grich.

"Candiotti had great stuff," said the catcher Ned Yost, who sup-

ported him with a three-run homer. "He was throwing his curve and slider for strikes all day and he had a great cutting fast ball. He really knows how to spot the ball."

The loser was Tommy John (9-11), who yielded 13 hits in five innings. The Brewers shut out the Angels all 23 innings of their two-game series.

**Yankees 7, Mariners 4**  
In New York, Steve Kemp, Roy Smalley and Omar Moreno were the big men in a decisive three-run third inning that insured a Yankee victory, 7-4, over Seattle. New York scored once in the first, on Graig Nettles' RBI single, and tied the score with two runs in the second, when Marvyn Lee, Jim Beattie (8-11), turned wild, giving up four straight walks. Beattie walked Don Mattingly and Nettles with the bases filled to force in the runs.

**Royals 3, Rangers 1**  
In Kansas City, Pat Sheridan's two-out single completed a two-run ninth-inning rally to give the Royals a 5-4 victory over Texas and a doubleheader sweep. In the first game, Frank White had three hits, George Brett hit his 22d home run and Dan Quisenberry earned his 35th save of the year as the Royals won, 3-1.

**Tigers 10, White Sox 1**  
In Detroit, home runs by John

Wockenfuss, Chet Lemon and Lou Whitaker backed the combined six-hit pitching of Juan Berenguer and two relievers as the Tigers routed Chicago, 10-1. The game was a makeup of an Aug. 10 rainout. The White Sox were ordered by the American League to travel to Detroit for this single game, rather than wait and make it up at the end of the season, because each team is in a pennant race.

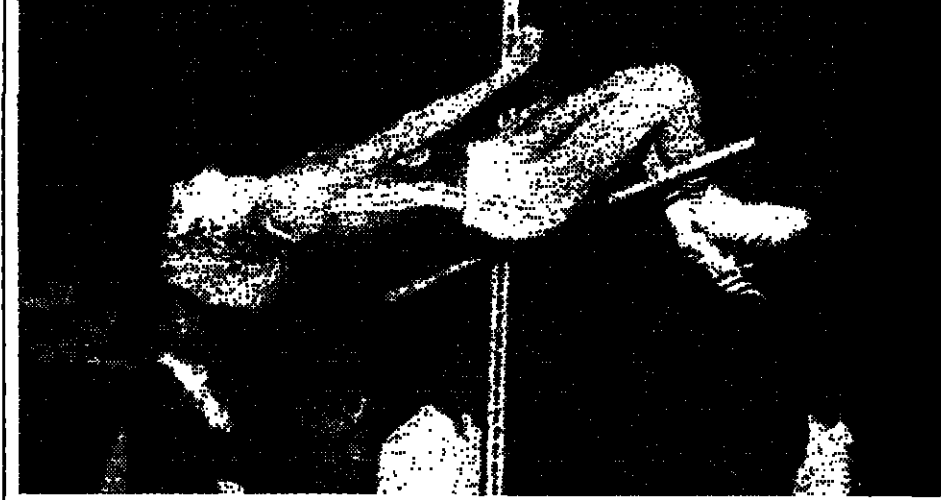
**Twins 3, Red Sox 2**  
In Minneapolis, Frank Viola pitched a three-hitter and Kent Hrbek doubled twice, singled and scored a pair of runs as Minnesota beat Boston, 5-2. The Twins broke a 2-2 tie in the seventh inning when Mickey Hatcher singled, went to third on Ron Washington's single and scored on Darrell Brown's ground out. Minnesota added two runs in the eighth off Dennis Eckersley (7-10) as Hrbek doubled and scored on Hatcher's single.

**A's 6, Indians 0**  
In Cleveland, Mike Heath and Jeff Burroughs hit two-run doubles in a five-run fifth inning, and Davey Lopes drove in two runs with a bases-empty homer and a single for Oakland as the A's shut out Cleveland, 6-0. Steve McCatty (5-6) pitched a four-hitter for his seventh career shutout for the A's.

**Orioles 2, Blue Jays 1**  
In Baltimore, Dan Ford doubled home two runs with one out in the bottom of the 10th inning to enable the Orioles to beat Toronto, 2-1. Finch-hitter Joe Nolan had singled, and Al Bumbry followed with a single to put runners at first and second. Ford then hit his double to right-center to make a winner of Tippy Martinez (8-3), who had allowed Barry Bonnell to hit a home run with two out in the top of the tenth to give the Blue Jays a 1-0 lead.

**Cardinals 2, Braves 1**  
In St. Louis, George Hendrick sent the first pitch from reliever Steve Bedrosian into the left-field bleachers in the bottom of the ninth inning to give the Cardinals a 2-1 victory over Atlanta.

**Pirates 5, Astros 3**  
In Pittsburgh, Jim Morrison and Tony Pena drove in two runs each as the Pirates ended a four-game losing streak against Houston with a 5-3 victory and moved into a first-place tie with Philadelphia in the National League East. The rookie right-hander Jose Delmonico (5-2) scattered eight hits and struck out 11 over 8½ innings.



## Soviet Woman Breaks High Jump Record

Tamara Bykova of the Soviet Union set a world record Thursday in the women's high jump with a leap of 6 feet, 8½ inches (2.038 meters) at a track meet in Pisa, Italy. Bykova broke the 6-8 record set Saturday by Ulrike Meyfarth of West Germany at the European track and field meet in London. Bykova also cleared 6-8 in London, but Meyfarth won because she cleared the height on her first try.

# Cuban Wins Discus Amid Weak Field; U.S. Starts Strong in Women's Track

By Robert Facher

Washington Post Service

**CARACAS** — For the first time in the history of the Pan American Games, the United States failed to win the men's discus throw. The United States, of course, had no entries because both Paul Bishop and Greg McSorley flew home Tuesday in the wake of the drug-testing scare.

So Luis Delis won on Thursday virtually unopposed, at 220 feet 10 inches (67.3 meters), and brought Cuba its sixth gold medal in men's track-and-field events contested thus far. The United States has won none.

The U.S. women have been more successful. Colleen Sommer won Thursday's high jump at 6-3½, and Joan Benoit took the 3,000 meters in 9:14.19 to give the United States three golds in five women's events.

The U.S. women, outdoing their male counterparts, also won a gold medal in basketball, one in tennis and one in table tennis as the United States raised its medal count to 104 golds and 214 overall. Cuba

was second at 64 golds and a total of 135.

But the U.S. men got a surprise boost Thursday night, when the pole vaulter Mike Tully came back to compete. He had left Tuesday, one of a dozen track-team members who returned home after news of the drug crackdown spread.

Sommer and Benoit hardly were accepting bows. Neither performed well or had much competition. The

## PAN AMERICAN GAMES

Michael Jordan's 24 points led the undefeated U.S. men's basketball squad to an 88-68 victory over Argentina. The U.S. team was not seriously threatened after taking a 35-23 lead. Jordan made 13 of his game-high 24 points in that time. The U.S. men are 6-0 overall and 3-0 in the final round.

Chile's leading cyclist, Fernando Vera, became the latest athlete to be caught in the drug probe. He tested positive for anabolic steroids.

The crowd made all kinds of noise while we were getting ready to jump. Maybe that's their way of being supportive, but it's not ours."

Benoit beat her teammate Brenda Webb by 100 yards, and Monica Regones of Chile finished in third place, a half-lap back. Laverne Bryan of Antigua collapsed after four laps and was carried off on a stretcher.

Conceicao Gerasim of Brazil edged Cindy Greiner of the United States for the heptathlon title by 16 points with a total of 6,084 points.

In the women's 100-meter hurdles, nine ran for eight berths in the final, with the favored Betsy Fitzgerald advancing in 13.21.

The U.S. women scored the most lopsided victory of the basketball tournament in winning the Pan Am gold for the fifth time.

Lisa Ingram, the 10th player on the squad, scored 23 points to lead the unbeaten U.S. team in a 113-33 rout of Venezuela.

Besides the discus, the only

men's track-and-field competition Thursday consisted of semifinals in the 200 meters. The 400-meter quarterfinals were canceled because of lack of entries, announcement of which drew whistles from the crowd.

In baseball, Luis Cano Arauz and Cayetano Garcia damaged U.S. hopes for a gold, leading Nicaragua to a 9-5 victory that stopped the U.S. eight-game winning streak.

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# Price Shoots 66 to Take World Series Golf Lead

The Associated Press

AKRON, Ohio — Nick Price of South Africa blitzed the back nine in 30 to complete a 4-under-par 66 Thursday that established a one-shot lead over Jack Nicklaus in the first round of the \$500,000 World Series of Golf.

"I hit a few good shots and got it on a roll," Price said. "I haven't done that for a while."

Price joined the U.S. tour after his last-round collapse handed Tom Watson the 1982 British Open title. He gained entry to this elite event as the leader of the South African Order of Merit, a feat he accomplished without winning a title. He ranks a distant 117th on the American money-winning list this year with \$28,828.

Price, 26, was 2-over-par after four holes on the 7,173-yard south course at the Firestone Country Club, but turned this around with a 25-foot chip-in for a birdie on the 11th hole.

"I expected to make bogey on the hole, and instead made birdie," he said. "It just changed everything for me."

Nicklaus, a five-time winner of this title and a narrowly beaten challenger in his last two starts, was a single stroke off the pace and tied at 67 with Bobby Clampett.

"I have no quarrel with a 67," Nicklaus said. "I'll take four of those and walk back home to Palm Beach. I really played very well. I didn't get any more out of the round than I should have."

Clampett, who has missed the cut more often than he has made it this season, said his effort was "the



Nick Price

first solid round of golf I've played in several months."

Hale Irwin, Mike Nicolette, Fred Couples and Tommy Nakajima were at 68. The only others in the international field of 42 who broke par were Ray Floyd, Larry Mize and Bob Gilder, tied at 69. Craig Stadler, the defending champion, shot 71.

Watson and Hal Sutton matched par 70 while Larry Nelson soared to a 77.

## SPORTS BRIEFS

### Yankee Shortstop to Leave Hospital

NEW YORK (AP) — Andre Robertson, the New York Yankee shortstop who was injured in an automobile accident Aug. 18, was expected to be released from hospital Friday, the team announced.

Robertson suffered a fracture of the second cervical vertebra, a broken right rib, a mild separation of the left shoulder and multiple contusions, abrasions and lacerations. He will be sidelined for the remainder of the 1983 baseball season.

### 5 Soviet Entrants in U.S. Open Tennis

MOSCOW (AP) — Five Soviet tennis players will participate in the U.S. Open, Tass reported Friday. It will be the first time since 1976 that Soviet players have entered the event, which begins Tuesday.

Two of the players, Larisa Savchenko, 17, and Svetlana Cherneva, 20, reached the quarterfinals as a doubles team at Wimbledon. Both will participate in the qualifying for the U.S. Open, and Savchenko also will play in the junior girls division, as will Natalya Reva, 19.

Andrei Chesnokov and Andrei Olkhovsky, each 19, will participate in the junior boys competition. Both were described by Tass as lacking in international experience, but were "thought to be among the most talented" of the young Soviet players.

### 4 Horse Owners Charged With Fraud

FREEHOLD, New Jersey (NYT) — Law enforcement officials here have charged four owners of race horses with killing 10 trotters, pacers and thoroughbreds and then collecting thousands of dollars in fraudulent insurance claims.

In addition, the authorities said, the four men insured four horses that did not exist, then filed claims on them, contending that they had been stolen. According to the charges, the claims ranged from \$4,000 to \$50,000, and the total for the horses killed and for the nonexistent animals that were reported stolen, came to more than \$150,000.

### 19 Top Runners in Beijing Marathon

BEIJING (UPI) — Bill Rodgers and Dick Beardsley of the United States head a group of 19 world-class runners that have accepted invitations to participate in the Beijing marathon on Sept. 25, sports officials said Friday. The race, sanctioned by the International Amateur Athletic Federation, also will include about 200 Chinese runners from local sports associations.

# Winged Keels Are Accepted By N.Y. Club

United Press International

NEWPORT, Rhode Island — The New York Yacht Club withdrew its objections Friday to winged keels on Australia II and the British yacht Victory '83 in the America's Cup race.

After four months of insisting that Australia II's keel was illegal, Robert G. Stone Jr., commodore of the host NYCC, said, "Questions relating to the keels of Australia II and Victory '83 have been resolved."

Jim Alabaster, a spokesman for Victory '83, said calmly, "We were never worried. We were quite confident it was legal. The Americans were causing all the fuss. We haven't been sitting here biting our nails."

Australia II and Victory '83 begin a best-of-seven series Sunday to select the challenger for the silver trophy that the New York Club has held for more than 132 years.

Australia II, with an overwhelming number of victories in the preliminary and semifinal trials, is regarded as the likely yacht to challenge the American defender beginning Sept. 1.

Stone said he believed that the NYCC's decision was based on verification of a decision a year ago in regard to the British yacht, which was then contemplating placing fins on its keel.

In answer to a query from the Victory '83 syndicate, the International Yacht Racing Union's Keel Boat Technical Committee ruled in August 1982 that wings are permitted as long as the static draft is not exceeded.

"That ruling under the IYRU regulations is controlling for the 1983 match and the New York Yacht Club accepts it as such," Stone said.

The surprise decision came only a day after a Dutch engineer said that representatives of the club tried unsuccessfully to persuade him to sign an affidavit swearing that Australia II was not designed by Ben Lexcen, an Australian naval architect.

Australia II's executive director, Warren Jones, assailed the NYCC for conducting "a reprehensible campaign of harassment" because it feared "honest competition" with the Aussie yacht.

"The question arose from reports and newspaper articles in the Dutch press intimating that the keel design was the product, if not the invention, of Dutch experts," Stone explained.

"The New York Yacht Club was obligated to investigate the matter," Stone said. Having completed the probe, "we have concluded that the evidence available to us is insufficient to press the matter further at this time."



Normand Leveille — A career cut short.

# Stricken Hockey Pro Wins Workmen's Compensation

Compiled by Our Staff From Dispatches

BOSTON — Normand Leveille, the Boston Bruins winger who suffered a near-fatal brain hemorrhage last October, has won his claim for workmen's compensation. He will receive his first check next week.

Commissioner Richard M. Lane of the Massachusetts Industrial Accident Board issued the temporary order on Thursday.

Leveille, confined to a wheelchair, will receive the state maximum of \$297.85 a week for up to 250 weeks, providing he remains disabled. Payments would continue beyond that point if he were still totally disabled.

The ruling is retroactive to the date of the injury, Oct. 23, 1982, meaning that Leveille's first check will be more than \$13,000.

"It's a good first step," said Paul Horowitz, the attorney who represented Leveille. "It achieves the primary goal for Normand and his family to get the money and relieve that pressure for them."

The Commercial Union of North America, insurers of the Bruins, have 10 days to appeal and are considering such action, a spokesman said. Payments would continue through the appeal process, which would involve another hearing.

Leveille's rehabilitation costs are

borne by Canadian health insurance. The Bruins, on advice of counsel, have not paid his salary — reported to have been \$60,000 a year — since the accident, fearing that the money might get into the wrong hands.

The insurance company argued that Leveille's disabling injury was congenital and questioned whether athletes who participate in such contact sports as hockey are eligible for workmen's compensation benefits if injured in action.

Leveille, 20, suffered the hemorrhage in Vancouver, British Columbia, between the first and second periods of a game against the Canucks. He was near death for a few days. His rehabilitation has progressed remarkably, however, and he recently came to Boston for a benefit golf tournament in his honor.

Leveille cannot speak, but recognizes friends and participates in an extensive physical therapy program. A native and resident of Montreal, he was Boston's No. 1 choice in the June 1981 draft and the 14th player taken overall.

An exceptional skater and shooter, Leveille was considered one of the future greats of the National Hockey League. His collapse was a shock to his teammates and to the sports world. His ailment has been diagnosed as arterio-venous malformation.

# Swim Records Keep Falling At Rome Meet

United Press International

ROME — Michael Gross of West Germany set a world record in the men's 200-meter butterfly Friday, clocking 1 minute 57.05 seconds to take the gold medal at the 16th European Swimming Championships. Sergei Fesenko of the Soviet Union took the silver, with the bronze going to Paolo Revelli of Italy. The previous record, 1:58.01, was set in 1981 by Graig Beardsley, an American.

East Germany meanwhile, set a world record in the women's 400-meter medley relay of 4 minutes 05.79 seconds. The team of Ina Kleber, Ute Geweniger, Ines Geisler and Birgit Mencke bettered the previous mark, of 4:05.88, set by East Germany in last year's World Championships in Ecuador.

Geweniger continued to do well individually, taking the gold medal in the women's 200-meter medley. Kathleen Ward, another East German, took the silver medal almost three seconds adrift, and the bronze went to Inna Gerasimova of the Soviet Union. On Thursday, Geweniger set a world record in the 100-meter breaststroke.

Astrid Strauss, also of East Germany, won the gold medal in the women's 800-meter freestyle, finishing ahead of her compatriot Anke Sonnenbrodt, who took the silver. Sarah Hardcastle of Britain capped the bronze.

Dick Richter of East Germany won the gold medal in the men's 100-meter backstroke, finishing ahead of two swimmers from the Soviet Union. Vladimir Shemetov won the silver while Sergei Zabolotnov earned the bronze.

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## Transition

BASEBALL

AMERICAN LEAGUE  
CHICAGO — Fredrick Thomas, pitcher, is the Cleveland Indians for a player to be named later.

BASKETBALL

National Basketball Association  
MILWAUKEE — Stanbury Brainerd, center, to a multiyear contract.

FOOTBALL

National Football League  
SAN FRANCISCO — Walid Chuck Evans, linebacker, signed with the San Francisco 49ers.

SEATTLE — Cut Mike White, Michael Gray, and Mark Bell, defensive ends, Mike Clay, defensive tackle, Pete Sparo, guard, Ronny Smith and George Winters, wide receivers, and Bruce Kinnell, offensive lineman, cut by the Seattle Seahawks.

TAMPA BAY — Acquired Danny Spradlin, linebacker, from the Dallas Cowboys in exchange for an undrafted draft pick, Walid Jeff Quinn, quarterback.

WASHINGTON — Signed Ken Huff, guard, and Bruce Kinnell, offensive lineman, cut by the Seattle Seahawks.

ST. LOUIS — Signed Stanbury Brainerd, center, to a multiyear contract.

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(Continued from Page 10)

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